



*We love our values*



# Annual Report

2020/ 2021



# Chair's Foreword

The period between April 2020 and March 2021 will forever be remembered for the devastation and tragedy of the Covid pandemic. The disease impacted every section of society across the world and sadly, almost on a daily basis, we witnessed an unimaginable loss of life unfolding before us and the grief of the many families affected.

Our sympathies lie with each and every family. Close to home, our staff faced a challenge that defied understanding, with the need for not just absolute professional skills and compassion, but for real courage to personally face the risks when caring for patients. We can never thank them enough.



Looking back over the year it is worth reflecting on the difficulties faced by our front line staff and to celebrate their successes in overcoming them. The hospitals had to be zoned appropriately to avoid the spread of infection, clinical services were rescheduled or postponed, staff were redeployed to help ease the pressures in Critical Care or to bolster the nursing teams on Covid wards, twice weekly testing regimes were introduced, new protective equipment became mandatory, social distancing became a byword and the wearing of masks became the norm. All of this and our teams continued to shine and perform brilliantly. It is no overstatement to say that this was a period when the nation truly recognised the value and worth of the NHS and the population of Stoke and Staffordshire weren't shy in showing their appreciation. Donations of all descriptions were received, including plenty of toys, cakes, sweets and food.

We also had huge help from the many volunteers who stepped forward and we are very grateful to Stoke City Council and their teams who offered their time and help and to the Army who filled essential gaps and brought their expertise at a time of crisis. The weekly clapping for NHS staff was moving in itself and I believe we can be rightly proud of our staff across the Trust for the way they conducted themselves throughout the year and the care they dispensed to thousands of patients.

Remarkably though, dealing with the pandemic spurred on innovation and collaboration amongst the many health and social care providers, none more so than the introduction of a Care Home Support Team. Working alongside our system partners, this was a wonderful example of how integrated working can be achieved and they successfully delivered clinical care to many residents across dozens of care homes.

The use of technology rose to a new level across the organisation with virtual meetings and consultations with patients highlighting new ways of working. Our annual Staff Awards evening actually ran over a week and of course was held virtually. It was heartening to see a record number of nominations this year and the enthusiasm and engagement of so many staff members highlighted the pride we have in each other.

We look forward to seeing them all in person at next year's awards.

On the financial front, we achieved our goal of exiting the Financial Special Measures regime, delivering a small surplus for the second year in a row. It is a testimony to Tracy Bullock, our CEO, and her team for way they have managed the Trust despite the pandemic and it was a real achievement to turn our financial performance around. It should also be noted that we had a very successful year in delivering capital programmes where £60m of investments were made to support the improvement in patient care and experience.

Our schemes included the enhancement of our Emergency Department, the purchase of additional modular wards, a refresh of key medical equipment and the demolition of the old Royal Infirmary site. In addition we purchased the land required for our future car parking solution.

We also played a major role in the development of the Shadow Integrated Care Board (ICS). The development of NHS services will in future be developed and deployed on a local system basis and will be orchestrated through the ICS. As a major provider of these services it is essential that we continue to play our part and to work towards delivering better services for everyone, addressing inequalities and achieving better health outcomes across our area.

In terms of the next twelve months, there is clearly a lot to do. Our main priority is to restore our services to pre-Covid levels and to manage our waiting lists. We are keenly aware of the anxieties suffered by many patients waiting for their elective procedure. We also recognise the impact of the pandemic on our workforce and as an organisation we are actively seeking to improve the wellbeing of every member of staff through a series of interventions. This will continue through the next year and beyond.

Finally, we have recently embarked upon a large scale programme called 'Improving Together'. The early results have been very encouraging, particularly on Urgent and Emergency Care and I am delighted with the engagement of so many enthusiastic staff. The last twelve months have demonstrated how our Trust can respond magnificently to major challenges. I am grateful to everyone and I am hopeful that more normal times will soon return.

**David Wakefield**  
Chairman

# Contents

No.	Title	Page No.
<b>Part A: Performance Report Overview</b>		<b>4</b>
	Statement from the Chief Executive	5
	About Us	6
	Our Vision, Values and Strategic Objectives	7
	How we Provide Care	8
	Equality of Services	9
	Performance Summary	11
	Key Highlights of 2020/21	14
	National Awards	24
	Patient Experience and Feedback	27
	Staff Wellbeing	28
	Staff Development and Widening Participation	29
	A Centre of Excellence – Our Staff Awards	31
	Research and Innovation	32
	Working with our Partners	34
	PFI Partnership Working	35
<b>Part B: Performance Analysis</b>		<b>37</b>
	Financial Performance Review	36
	Environmental Matters/Sustainability	42
	Key Issues and Risks	44
	Going Concern	45
<b>Part C: Accountability Report</b>		<b>46</b>
	Corporate Governance Report	46
	Annual Governance Statement	56
	Modern Slavery Act Declaration	70
	Remuneration Report	71
	Staff Report	76
<b>Part D: Financial Statements</b>		<b>84</b>

# Part A: Performance Report Overview

In this overview, we provide you with:

- a **statement from the Chief Executive**, providing a summary of how we have performed during 2020/2021
- an **introduction to our organisation**, covering what we do, the services we provide and our organisational structure
- an overview of our **2025 Vision**, our key objectives and our values
- a summary of **key risks** that we have identified and managed during 2019/2020
- a summary of the **equality** of our service delivery
- a **summary of performance** highlighting what has gone well for us, the progress made towards delivering our objectives and where we need to focus our efforts to improve
- an explanation of what is meant by '**going concern**' and what its adoption meant for us during the year

# Statement from the Chief Executive

Welcome to our Annual Report for the year 2020/2021, and what a year it has been! On the 1<sup>st</sup> April 2021 I will have been the Chief Executive at UHNM for two years and it is astounding to think that over half of my time at UHNM has been spent working alongside you addressing one of the biggest challenges to ever to face the NHS – a Global Pandemic.

During the first half of the Pandemic we were fortunate to escape some of the levels of pressure seen in other parts of the country, however; during the second half we were very clearly one of the hardest hit hospitals.



Covid-19 has clearly dominated 2020/2021, however, throughout the year we also continued to transform the way we deliver services and I have been overwhelmed with the professionalism, flexibility and positive attitudes from our staff. Our staff are most definitely our greatest asset and have served our Trust and more so our patients, exceptionally well during extraordinary times. Therefore, caring for staff wellbeing remained our number one priority during this time and I know staff managed to take part in some of the extensive wellbeing packages on offer since the start of the Pandemic, whether that be free car parking, new rest pods and cabins, 24 hour counselling and psychological support and a wellbeing day to name but a few.

Whilst we have progressed and transformed during 2020/2021 we sadly had to delay the roll out of our Quality Improvement Programme for the Trust, although we did successfully recruit to the Quality Academy. We are wholly committed to restarting this programme in 2021/2022 and have the resources in place to support and sustain this. I am personally excited by this as we introduce a program that develops, rewards, values and empowers our staff to be the best they can be.

Despite the obvious challenges, 2020/21 was also a year of significant achievements for UHNM; many of which are highlighted within this report. In October 2020 the Trust exited Financial Special Measures, a regime that the Trust had been in since 2017. This was as a result of tireless efforts in identifying and delivering efficiencies whilst maintaining quality. As a result of the Pandemic, the financial regime for the NHS changed considerably during 2020/2021 to enable us to focus on the work in hand without being held back by the usual financial constraints. Although this was successful and we once again ended the year in a good position, we will undoubtedly have a financially challenged 2021/2022 as the whole Country grapples with the economic impact of Covid-19. We also saw delivery of a huge and evolving capital programme, delivering £61 million of capital schemes.

During 2020/2021 much of our elective and planned care reduced significantly meaning that many of our patients were waiting far longer than we would wish although we went to considerable lengths to continue to provide surgery and treatments to our sickest and most vulnerable patients and were particularly successful in continuing to deliver care for our cancer patients. The challenges for our Covid-19 wards and our Critical Care Unit were as never seen before and at one stage we increased our critical care capacity by over 200%! This allowed us to support our own population and that of other struggling regions such as London. The challenges of urgent care diminished in volume but increased in complexity as we developed pathways and routes through our hospital that segregated Covid-19 positive and non Covid-19 positive patients; with blue, purple and green wards and zones.

Whilst addressing the complexities as outlined above we continued to transform urgent care for our patients and during February/March 2021 we started to see the fruits of our Urgent Care Improvement Programme which saw patients consistently spending less time in our Emergency Department and receiving care much more quickly.

Going forward into 2021/2022 one of our most significant challenges will be to address the capacity and demand mismatch that we have as a result of loss of productivity due to infection Prevention requirements, donning and doffing of additional Personal Protective Equipment and social distancing. This is against a backdrop of significantly increased waits for elective and planned work. We are all keen to resume such activity and are committed to working with our partners to ensure we maximise our collective resource to reduce those waits as quickly and safely as possible.

We are grateful to our partners within the system and beyond, for the support that they gave us to secure the capacity we needed to allow us to effectively respond to the constant surges of patients with Covid-19. We are particularly grateful to Stoke City Council for providing volunteers to support our staff in Critical Care and to North Staffordshire Combined NHS Trust for providing the much needed psychological support for our staff.

It would be remiss of me not to acknowledge the tremendous sacrifice our staff have made. Our staff came to work day in and day out in the face of an unknown and highly infectious disease. Many of us lost friends, family and colleagues. Going forward we will continue to reflect and remember the ultimate sacrifice that some of our staff made to support their colleagues and to serve our patients

It has been an incredibly challenging year for all of us but it is also one that has made me very proud to be Chief Executive of UHNM. Undoubtedly there will be further challenges ahead for us throughout 2021/22 and beyond but given I have seen what our UHNM family can do in extremis I am ever more confident that together, we will come through and I look forward to seeing how the 'new NHS' evolves. I hope you enjoy reading this Annual Report.

**Tracy Bullock**  
Chief Executive

# About Us

University Hospitals of North Midlands NHS Trust was formed in November 2014 following the integration of University Hospital of North Staffordshire NHS Trust and Mid Staffordshire NHS Foundation Trust. We have two hospitals, Royal Stoke University Hospital and County Hospital, and we are very proud of both.

We are a large, modern Trust in Staffordshire, providing services in state of the art facilities. We provide a full range of general hospital services for approximately 1.1m people locally in Staffordshire, South Cheshire and Shropshire. We employ around 11,000 members of staff and we provide specialised services for a population of around 3m, including neighbouring counties and North Wales.

We are one of the largest hospitals in the West Midlands and have one of the busiest Emergency Departments in the country, with an average of around 14,000 patients attending each month across both of our sites. Many emergency patients are brought to us from a wide area by both helicopter and land ambulance because of our Major Trauma Centre status; as we are the specialist centre for the North Midlands and North Wales.

As a University Hospital, we work very closely with our partners at Keele and Staffordshire University and we are particularly proud of our Medical School, which has an excellent reputation. We also have strong links with local schools and colleges. As a major teaching Trust, we hold a large portfolio of commercial research, which provides us with a source of income. Our research profile also enables us to attract and retain high quality staff.

Our specialised services include cancer diagnosis and treatment, cardiothoracic surgery, neurosurgery, renal and dialysis services, neonatal intensive care, paediatric intensive care, trauma, respiratory conditions, spinal surgery, upper gastro-intestinal surgery, complex orthopaedic surgery and laparoscopic surgery.

We have a range of formal and informal mechanisms in place to facilitate effective working with key partners across the local economy. These include participation in partnership boards which bring together health, social care, independent and voluntary sector organisations across Staffordshire.

We help drive improvements across the wider health and care economy, through our leadership roles in the Staffordshire and Stoke on Trent Sustainability and Transformation Plan - Together We're Better.

We look to involve our service users in everything we do, from providing feedback about the services we provide, to helping shape our priorities. This work is co-ordinated by our Patient Experience Team.



# Our Vision, Values & Strategic Objectives

Our 2025 Vision was developed to set a clear direction for the organisation to become a world class centre of clinical and academic achievement and care. One in which our staff all work together with a common purpose to ensure patients receive the highest standard of care and the place in which the best people want to work.

To achieve the 2025 Vision we must respond to the changing requirements of the NHS as they emerge and operate in ever more challenging times. This means that we have to think further than the here and now and continue to look beyond the boundaries of our organisation for inspiration. Our involvement in the ICS is crucial in enabling us to move towards our vision and to become a sustainable provider of healthcare services.



## Our Strategic Objectives

Our Vision is underpinned by 5 key Strategic Objectives (SO):

SO1		<b>Provide safe, effective, caring and responsive services</b>
SO2		<b>Achieve NHS constitutional patient access standards</b>
SO3		<b>Achieve excellence in employment, education, development and research</b>
SO4		<b>Lead strategic change within Staffordshire and beyond</b>
SO5		<b>Ensure efficient use of resources</b>

## Our Values

We continue to encourage a compassionate culture through our values, which identify the attitude and behavioural expectations of our staff.



	<ul style="list-style-type: none"> <li>We are a team</li> <li>We are appreciative</li> <li>We are inclusive</li> </ul>
	<ul style="list-style-type: none"> <li>We are supportive</li> <li>We are respectful</li> <li>We are friendly</li> </ul>
	<ul style="list-style-type: none"> <li>We communicate well</li> <li>We are organised</li> <li>We speak up</li> </ul>
	<ul style="list-style-type: none"> <li>We listen</li> <li>We learn</li> <li>We take responsibility</li> </ul>

Our full 2025 Vision is available via our website: [www.uhnm.nhs.uk](http://www.uhnm.nhs.uk).



We are refreshing our Strategy and Strategic Objectives to ensure alignment with our Improving Together Programme; this will be communicated with our staff more broadly in 2021/22.

# How we Provide Care

Our organisational structure features 4 clinical Divisions and 2 non-clinical Divisions. Each clinical Division is led by a Divisional Chair, providing medical leadership, an Associate Chief Nurse, providing clinical leadership and an Associate Director responsible for its management. The non-clinical Divisions are led by Executive Directors. These 6 Divisions are as follows:

- Medical Division
- Specialised Division
- Children, Women and Diagnostics Division (CWD)
- Surgical Division
- Estates, Facilities and Private Finance Initiative (PFI) Division
- Central Functions Division

Below provides an overview of the services provided by each of these Divisions:

## Surgical Division



- Emergency Surgery
- General Surgery
- Urology
- Specialised Surgery
- Anaesthetics
- Theatres
- Critical Care
- Sterile Services
- Pain Management

## Medical Division



- Gastroenterology
- Endoscopy
- Respiratory
- Infectious Diseases
- Emergency Department
- Acute Medicine
- Elderly Care
- Diabetes
- General Medicine
- Renal

## Specialised Division



- Cardiology
- Neurosciences
- Trauma & Orthopaedics
- Neurosurgery
- Cardiothoracic
- Stroke
- Neurology
- Neurophysiology

## Children, Women & Diagnostics Division



- Pharmacy
- Pathology
- Clinical Technology
- Imaging
- Bereavement Services
- Obstetrics & Gynaecology
- Child Health
- Haematology
- Oncology
- Medical Physics
- Immunology

## Central Functions Division



- Finance
- Communications
- Information Management & Technology
- Human Resources
- Nursing
- Operations
- Corporate Governance
- Strategy & Planning
- Performance & Information
- Quality, Safety & Compliance
- Transformation
- Research and Development
- Supplies & Procurement
- Outpatients

## Estates, Facilities and PFI Division



- Estates Operations
- Estates Capital Development
- Facilities Management
- PFI Contract Management
- Estates Governance, Compliance and Administration
- Sustainability and Transformation
- Clinical Technology
- Land and Property

# Equality of Services

Our Equality and Diversity Policy takes in account legislation and guidelines issued by the Equality and Human Rights Commission on compliance with the Equality Act 2010. We aim ensure that all patients, applications, employees, contractors, agency staff and visitors receive appropriate treatment and are not disadvantaged by conditions or requirements which cannot be shown to be justified. This is particularly on the grounds of a protected characteristic as defined in the Act.



## Promotion of Equality of Service Delivery

We have delivered a number of initiatives during the year to promote equality of service delivery, some key highlights include:

- **Training Videos** to help staff to fully support visitors who are blind / partially sighted / deaf or hard of hearing
- **Policies** on care and support for Transgender Patients and Provision of Interpreters
- Introduction of a new role of **Matron for Mental Health and Learning Disability**
- **Learning Disability and Autism Working Group** meeting six times per year
- **Learning Disability Champion Scheme** to raise knowledge and understanding of care for people with Learning Disabilities – we have 130 champions Trust wide
- Involvement in the **National Learning Disability Benchmarking Survey**
- Membership in system wide groups including the Local Dementia Steering Group and Network Group and the Mental Health Law Group covering North and South Staffordshire

## Public Sector Equality Duty

To ensure that we fulfil our obligations as set out within the Public Sector Equality Duty, the impact of our policies, practices and decisions affecting those with protected characteristics are given due regard. This means that we can plan our services to meet the needs of our population more effectively. Any key changes are subject to Quality Impact Assessment which takes into account the impact on individuals covered by this Duty. In addition:

- Wherever possible, areas of the hospital (building and grounds) are accessible to all
- We provide Equality and Diversity training for all staff as part of their induction and mandatory training
- We work in partnership with our commissioners and other neighbouring hospitals to agree and develop the Equality Delivery System domain and outcomes which will be subject to peer review of the coming year in line with NHS England guidance

## Activities to Promote Equality of Service Delivery

In addition to the above, the diagram below provides an overview of arrangements we have in place to promote equality of service delivery:

Development of a Diverse Chaplaincy Team to meet the needs of service users	Introduction of a RESPECT document to personalise End of Life Care	Guidance for staff in care after death for Muslim children	Alert system on iPortal which identifies patients with special needs
Introduction of LED boards to aid communication with dementia, learning difficulties, patients with tracheostomies	Health Literacy Training to aid shared decision making	Availability of clear face masks (required for protection against Covid) to support individuals who rely upon lip reading	Learning Disability (LD) Alert Flags which are notified to our LD nurse to ensure involvement in the care of the patient
Learning Disability information available via the Trust Intranet to support staff caring for patients	External internet site for people with Learning Disabilities to access blank 'hospital passports' and Easy Read information leaflets	Learning Disability e-learning package which is provided as our 'essential to role' training package	Ongoing monitoring of Learning Disability deaths and readmission within 30 days to identify any lessons which can be learned
Mental Health Working Group	Monitoring of readmission of patients with Dementia, along with inappropriate transfers to identify lessons to be learned	Dementia Level 1 and Level 2 Awareness Training, including a focus on those providing Elderly Care	Mental Health Awareness Training available Trust wide

# Performance Summary

During 2020/21, our Accountability and Performance Management Framework was developed and approved by the Board. This sets out the arrangements in place for performance oversight and management, including our Integrated Performance Report.

The Integrated Performance Report is reported on a monthly basis to the Trust Board, with our Performance and Finance Committee, Quality Governance Committee and Transformation and People Committee taking a lead for oversight and scrutiny on different aspects of performance. These arrangements provide assurance across the Trust and to commissioners and regulators.



During 2020/21 our Integrated Performance Report was strengthened in terms of the way we use and view our data; Statistical Process Control methodology was introduced to key performance metrics, giving a more intelligent and insightful way to review performance and give assurance to the Board. The following provides a summary of our performance during 2020/21, against the key metrics which are included in our Integrated Performance Report.

This year has been an incredibly challenging year for the Trust and the National Health Service as a whole due to the Covid-19 pandemic for which the hospital had to be reconfigured into zones to support social distancing measures and to ensure we kept our patients safe; all of which combined to affect our ability to see, diagnose and treat the volumes of patients we had planned.

## Emergency Care

The 'A&E four-hour wait' is a guide of how well the hospital and the local health economy of primary care, acute care and social care are working to deliver urgent care medicine. In previous years the Trust has seen increasing volumes of patients attending the Emergency Departments on both sides of the County that has affected delivery of the 95% target. In this year, the Covid-19 pandemic has been a contributory factor in non-delivery of the 95% target (76.96%) due to the time required for triage, Covid test turnaround, social distancing factors that led to the expansion and demarcation of the emergency department footprint in accordance with nationally mandated guidance. In spite of this, there was a noted improvement in the reduction of 12 hour trolley waits, of which more than 205 were recorded during the year, which was a significant improvement on the number from the previous year (605). The Trust is working proactively with system partners to maintain levels of Medically Fit Patients to the levels experienced during the first Covid-19 surge of around 70-85 to maintain bed capacity which is a significant improvement on the previous year's average 135-140.

The Trust is working towards achieving the 95% target during 2021/22 through continued partnership working with our System Partners, and the engagement of NHSEI advocated improvement experts to support framing and delivery of urgent care plans. This will further improve patient experience and satisfaction with the service, which has remained consistent despite longer waiting times, as evidenced within the main body of the document.

## 18 Weeks

The Trust has faced significant challenges in meeting the Referral to Treatment standard and has not achieved the 92% standard during 2020/21. Contributory factors include the central mandate to cease all elective activity during the first wave of Covid-19 together with the selective cessation of some elective services to form the Level 4 incident response to the second Covid-19 surge in the winter, including our mutual aid response to the South with doubling of critical care capacity. The Trust has been proactive in flexing capacity to maintain essential appointments for Outpatients and Diagnostics with the use of video and telephone appointments, the Independent Sector, and hospital zoning to keep urgent prioritised pathways active. Prior to the pandemic the trust had zero (0) patients waiting for more than 12 months for their treatment, now this has grown to over 4,500 but plans are being enacted to support reduction with the support of In sourcing and Out Sourcing activities based on clinical vetting and patient choice offers. There are 9 specialties that are the most challenged due to time critical surgery demand, cancer pathway priorities or weeks' worth of patients to treat compared to our baseline volumes. The total volume of patients on our waiting list has increased by 39% over the last 12 months due to the volumes of cancelled sessions due to the Covid-19 response, whilst referral volumes have been maintained and in the latter part of Quarter 4 have been escalating exponentially.

## Cancer

The Trust has prioritised cancer pathways and treatments to patients during 2020/21 and this has been reflected in significant performance improvement in the first half of the year. However, the Trust was unable to consistently maintain the 62 day wait trajectory from GP referral to treatment Cancer Wait Time (CWT) standards during the latter part of the year. The 31 day diagnosis to treatment was also not delivered. The reasons for both were mainly due to the need to flex capacity for the Covid-19 and urgent care patient winter demand. Positive performance has been seen in our response to 2WW delivery and the noted reduction in 104 day patients as a consequence of prioritisation for access and treatment.

Quality	No.	Indicator	Target	2020/21 Performance	2019/20 Performance
	1.	Harm free care (new harms)	95%	96.7%	97.9%
	2.	Patient falls per 1000 bed days	5.6	6.2	5.4
	3.	Patient falls with harm per 1000 bed days	1.5	1.5	1.3
	4.	Medication errors (rate per 1000 bed days)	n/a	4.9	4.4
	5.	Never Events	0	1	6
	6.	Duty of Candour – verbal / formal notification	100%	100%	100%
	7.	Duty of Candour – written ( <i>within 10 day target</i> )	100%	100% (82%)	100% (67%)
	8.	Pressure ulcers – hospital acquired (category 2) with lapses in care	8	7	54
	9.	Pressure ulcers – hospital acquired (category 3) with lapses in care	4	12	33
	10.	Pressure ulcers – hospital acquired (category 4) with lapses in care	0	2	1
	11.	FFT - % A&E recommendations (suspended until January 2021)	n/a	79.3%	69.9%
	12.	FFT - % inpatient recommendations	n/a	98.5%	98.3%
	13.	FFT - % maternity recommendations (suspended 2020/21)	n/a	N/A	98.9%
	14.	Written complaints rate (per 10,000 spells)	35	30.4	30.4
	15.	Rolling 12 month HSMR	100	97.87 (03/20-02/21)	92.68
	16.	Rolling 12 month SHMI	100	1.03	0.99
	17.	Nosocomial 'definite' Covid 19 deaths	n/a	118	N/A
	18.	VTE risk assessment compliance	95%	99.1%	93.7%
	19.	Emergency C Section Rate as % total births	15%	17.2%	14.6%
	20.	Reported c-difficile cases	n/a	107	116
	21.	Avoidable MRSA bacteraemia cases	0	0	0
	22.	Inpatient sepsis screening compliance	90%	85.9%	85.4%
	23.	Inpatient IV antibiotics given within 1 hour	90%	93.3%	92.3%
	24.	Children sepsis screening compliance	90%	95.2%	88.4%
	15.	Children IV antibiotics given within 1 hour	90%	100%	63%
	16.	Emergency portals sepsis screening compliance	90%	91.8%	89.4%
	17.	Emergency portals IV antibiotics within 1 hour	90%	84.3%	87%
	18.	Maternity sepsis screening	90%	45.1%	41.7%
	19.	Maternity IV antibiotics within 1 hour	90%	90%	82.17%
	20.	Mixed sex accommodation breaches	0		

Operational Performance	No.	Indicator	Target	2020/21 Performance	2019/20 Performance
	1.	A&E 4 hours waiting time	95%	76.96%	78.20%
	2.	12 hour trolley breaches	0	205	601
	3.	Cancer Rapid Access (2 week wait)	93%	92/1%	81.3%
	4.	Cancer 62 days from urgent GP referral	85%	69.1%	70.8%
	5.	Cancer 62 days from screening programme	90%	80.4%	84.6%
	6.	Cancer 31 day first treatment	96%	95.1%	94.3%
	7.	RTT incomplete	92%	92%	80.10%
	8.	RTT 52+ week waits	0	4,563	7
	9.	Diagnostic waits under 6 weeks	99%	84.06%	98.18%
	10.	DNA Rate	7%	7.79%	91.49%
	11.	Cancelled operations – 28 day standard	150	254	152
	12.	Theatre Utilisation	85%	73.8%	79.7%
	13.	Same day emergency care	30%	29%	30%
	14.	Super stranded patients	183	118	203
	15.	Delayed transfers of care	3.5%	1.3%	3.3%
	16.	Discharges before midday	30%	17%	18%
	17.	Emergency readmission rate	8%	14.6%	15.5%
	18.	Ambulance handover delays in excess of 60 minutes	10	1,123	981

Workforce	No.	Indicator	Target	2020/21 Performance	2019/20 Performance
	1.	Sickness absence rate	3.4%	5.37%	4.69%
	2.	Turnover rate	11%	9.32%	8.57%
	3.	Statutory and Mandatory Training	95%	93.85%	90.73%
	4.	Appraisal rate	95%	75.56%	75.94%
	5.	Agency costs as a % of total pay costs (month 12 snapshot)	n/a	2.55%	4.09%
	6.	Staff FFT – % recommended as a place to receive care	>61%	64.3%	82.17%

Finance	No.	Indicator	Target	2020/21 Performance	2019/20 Performance
	1.	Total income	n/a	915,076	840,975
	2.	Expenditure – pay	n/a	553,220	503,969
	3.	Expenditure – non pay	n/a	328,303	322,643
	4.	Daycase/elective activity	n/a	73,311	108,507
	5.	Non elective activity	n/a	84,920	107,418
	6.	First outpatients	n/a	181,106	248,025
	7.	Follow up outpatients	n/a	297,813	360,399

# Key Highlights of 2020/21



Despite the many challenges we faced during 2020/21 as a result of Covid, we have continued to strive for excellence and have achieved so many more things to be proud of.

These have been shared with our staff via our Communications Team, to say thank you and to boost morale. Here are just some of our highlights:



## Faster Access to Diagnostic Tests

Adults and children with suspected cancer are being given quicker access to diagnostic tests, leading to earlier diagnosis of cancer and faster treatment.



Patients who visit their GP with concerns about possible cancer symptoms are usually assessed against criteria for further investigations to take place within two weeks.

However, in some cases symptoms might not fit the cancer criteria and patients would be referred to a consultant. Under the new process, patients are now referred straight for diagnostic imaging tests, bypassing the need to see a consultant first if symptoms are unclear. More than 500 patients per month are already benefitting from this new arrangement by receiving diagnostic scans.

*"This change means that patients receive accurate tests more quickly. The sooner we know about a problem, the sooner we can treat it, so there are enormous benefits."*

**Dr Ingrid Britton, Consultant Gastrointestinal Radiologist**



## County Hospital's Bariatric Team Carried out 1000 Bariatric Procedures

58 year old Anjuman Ara underwent a laparoscopic gastric bypass in September 2020 and became the 1000<sup>th</sup> person to receive treatment from the renowned team.



Bariatric care was transferred to the County Hospital in 2016 and the service has since become a 'centre of excellence' known as the North Midlands Institute of Metabolic and Bariatric Surgery.

Ms Anjuman from Birmingham said 'the staff at County Hospital were lovely, they took good care of me and were easy to talk to and helpful. If you needed anything, it would be done for you. The ward environment was really nice too, I actually enjoyed my experience. I decided to come to County because the waiting time was much shorter here'.



"The bariatric service has grown to become a centre of excellence both for local patients and in other parts of the country and the fact that patients are happy to travel the significant distance from the North West area to County Hospital to have their treatment is in itself a tribute to the service we provide."

Mr Nagammapudur Balaji, UHNM Clinical Lead for Bariatric Surgery



## Support for Patients with Mental Health Problems

A new, dedicated room has been created to help support patients with mental health problems who present in the Emergency Department at Royal Stoke.



The room provides a safe space for patients and staff to engage on a one-to-one basis and has been carefully designed following national guidelines from The Royal College of Emergency Medicine and the Royal College of Psychiatry.



"The busy and often noisy environment in the Emergency Care Centre can be distressing and sometimes exacerbate the difficult feelings that patients who present with mental health problems are experiencing. Our hope is that this dedicated room will help to provide a quiet and safe environment for such patients, whilst allowing staff from the Emergency Department and Mental Health Liaison Teams to assess and observe them."

**Dr Hannah McKee, Speciality Doctor for Emergency Medicine**



## Use of Artificial Intelligence-powered diagnostic technology to fight coronary heart disease

We partnered up with HeartFlow Inc. to help clinicians diagnose what is one of the UK's biggest killers. The innovative technology uses data from a patient's CT scan, artificial intelligence and highly trained analysts to create a 3D, digital interactive model of a person's coronary arteries.



Algorithms are then used to solve millions of equations to simulate blood flow in a patient's arteries in order to help clinicians assess the impact of any blockages.

The HeartFlow system reduces patient waiting times and the amount of time interacting with medical professionals in person, a critical advantage during the global pandemic.



"Using a CT-first approach with HeartFlow analysis means that many patients can be diagnosed with Coronary Heart Disease within a matter of days, and within one hospital visit."

**Dr Simon Duckett, Consultant Cardiologist**



## Thousands of UHNM patients across multiple specialities benefitting from virtual clinics

The 'Attend Anywhere' (AA) system enables patients and clinicians to have video consultations from home so their care can be continued without interruption.

More than 2000 patients have used the system so far, with more than 90 per cent saying they felt it was easy to access, their needs were met and they were able to communicate well.

The system is proving popular with patients and clinicians alike, with more than 50 clinical services now using the solution to deliver video consultations as part of regular clinics. Many positive comments have been received from our patients....



"The service is very good and easy to navigate and I will definitely keep using Attend Anywhere...I feel that this is a very good way of undertaking a consultation and would do it again...An extremely efficient service which saves having to be in a physical waiting room unnecessarily."

Patients using Attend Anywhere



## Heart patients with atrial fibrillation (AF) are helped to continue their care from home with innovative device

AF patients are being provided with mobile-based Kardia ECG devices and medical blood pressure machines. The technology allows patients to perform essential self-checks at home, ensuring they can stay on top of their condition without the anxiety of a hospital visit.



Atrial fibrillation can increase the chance of blood clots and strokes so it is absolutely essential that we keep a good check on patients with the condition. In normal times patients would come for normal monitoring appointments but we wanted to reduce this as far as possible during the pandemic.



## Mums expecting twins benefit from a new clinic

Mums expecting twins are now cared for by a named consultant with a special interest in multiple pregnancies. Two dedicated midwives - Abigail Brocklehurst and Anna O'Rourke - will also be on hand to help manage the specialist service and offer checks, advice and support.



The new service means that mums expecting twins will now see less people and have a more individualised care plan directed towards multiple pregnancy.



"Having twins carries more risk than a standard pregnancy because there can be issues with growth or pre-term labour. There is also an increased chance of things like pre-eclampsia and gestational diabetes. So it's really important that women who are expecting twins or have a multiple pregnancy receive specialist care. And the evidence demonstrates that continuity of care within this specialist framework makes a real difference to the safety and wellbeing of mums and their babies."

Anna O'Rourke, Continuity of Carer Midwife for Multiple Pregnancy



## Emergency patients benefit from new purpose built unit aimed to reduce unnecessary admissions better patient experience

£4.3 million has been invested at Royal Stoke University Hospital to create a new unit, linked to the emergency department and enables patients to access assessment, diagnosis and treatment, quickly following a referral by their GP or a consultant.

The Specialised Decision Unit (SDU) has spacious bays to allow for social distancing and large glass doors so patients can be monitored safely reducing the risk of reducing infection outbreaks.

The SDU is for patients with neurological, cardiac or trauma and orthopaedic conditions who can be seen, diagnosed and treated before being discharged home within six to eight hours.



## Endoscopy Unit JAG Accreditation

Our endoscopy unit achieved JAG accreditation, the formal recognition that an endoscopy service has demonstrated its competence to deliver against endoscopy Global Rating Scale (GRS) standards.

Obtaining JAG accreditation demonstrates that the highest quality of endoscopy services and training are provided at UHNM.

The JAG Accreditation Scheme is a patient-centred and workforce-focused initiative based on the principle of independent assessment against recognised standards.

The scheme was developed for all endoscopy services and providers across the UK in the NHS and independent sector.



"This is a huge achievement and a great example of teamwork. Lots of people have worked really hard and as a result we have achieved an even better service for our patients. The hard work now continues as we work to maintain and protect our accreditation status and to keep enhancing the care we provide."

**Dr Srisha Hebbar, Consultant Gastroenterologist**



## New software speeds up diagnosis

Patients referred for throat investigations at UHNM receive faster diagnosis and treatment thanks to the use of pioneering new software in Ear, Nose and Throat (ENT) clinics. Use of the software ensures that every patient receives a consultant review and that consultant face-to-face appointments are reserved for patients most at risk.

Clinicians in the 'hoarse voice clinic', where patients present with potential symptoms of throat cancer, enter symptoms into a nationally used risk calculator where patients are then scored as potentially low or high risk.

A high resolution double encrypted iPhone camera is used to record images during a patient's endoscopy procedure and the images will be shared via the device using the software, enabling quicker analysis and therefore a better prognosis for patients.



"I am able to see four times as many people by means of the videos than I'd be able to see face to face. It makes the whole process safer due to Covid and slicker but we are still able to maintain high standards of care."

**Mr Ajith George, Consultant ENT Surgeon**



## UHNM rated amongst top 10 organisations for ensuring patients are fitted with a medical device sleeve during their hospital stay

A device, worn on the lower legs whilst a person is recovering from an illness in hospital, such as stroke, or surgery, is playing an essential role in the prevention of Venous Thromboembolism (VTE). VTE is a potentially fatal condition where a blood clot can form and travel in the circulatory system.



The team on the acute stroke unit at UHNM has created an enhanced VTE pathway and even introduced a new device alongside a 'VTE nurse' role within the healthcare assistants team at Royal Stoke.



"We take the risk of VTE very seriously here at UHNM and our new pathway ensures patients admitted to the ward receive the best possible care for preventing VTE."

**Dr Indira Natarajan, Consultant Stroke Physician**



## A regional first for UHNM Cancer patients

UHNM was the first NHS Trust in the region to begin delivering a revolutionary cancer treatment following the introduction of the 2020 national expansion programme. SABR (Stereotactic Ablative Radiotherapy) treatment is currently offered to patients with Stage 1 lung cancer whose tumour is medically inoperable. A concentrated dose of radiation is issued to the tumour, which helps to limit damage to surrounding organs.

The treatment has various advantages over conventional radiotherapy, with clinicians gaining more control over the areas in the body concerned, meaning the cancer is less likely to return within that site.

Overall survival rates are better and an entire course of treatment can then be delivered in between three to eight visits, making the treatment easier and more convenient for patients. Treatment sessions are held on alternate days throughout the week.



"It's fantastic that we can now offer SABR to patients locally. Before they would have to travel to Birmingham or central Manchester and we sometimes had patients who would cancel their appointment because the distance was too far. We're really proud to launch this treatment for our patients."

Dr Apurna Jegannathen, Consultant Oncologist



## Gastrointestinal (GI) radiology team trains radiographers across the Midlands in CT Colonography (CTC)

CTC is a test which uses two and three dimensional scans to look for cancer and pre-cancerous polyps in the large intestine.



45 radiographers from 14 hospitals will benefit from the rollout of the £340k programme which is set to enhance radiographers skills in performing the diagnostic procedure.



"We now know that CTC is just as accurate as a colonoscopy and it is absolutely essential that we ensure patients have access to this potentially lifesaving diagnostic procedure. Our team in Stoke had a head start as we first set up the service in 2005. It has now grown into one of the largest in the country following the amalgamation of Royal Stoke University Hospital and County Hospital's GI teams."

Dr Ingrid Britton, Consultant Radiologist



## Improving communication with some of the sickest patients

**Patients on UHNM's acute rehabilitation and trauma unit (ARTU) can now communicate more effectively with staff, thanks to the use of innovative new technology.**

The team are trialling five prototype custom-made call switches which make it easier for patients with even severe injuries to let staff know when they need assistance. The switches have additional infection prevention features incorporated into their design so they can be cleaned down effectively between patients and if successful, can replace standard call switches commonly used to help patients with limited movement or dexterity.

The team on ARTU has already received positive feedback from patients about the switches, developed by Smile Smart Technology.



## UHNM opens a state of the art screening unit in the community

**The new unit is one of the largest in the UK and has the latest breast screening technology; built in Wi-Fi; solar panels, a large open waiting area and two changing areas. Wheelchair access is also available.**



A team of our Radiographers and assistant practitioners run the service from Kidsgrove, performing mammograms on women aged 50 to 71 that have had a referral from their GP. The unit cost more than £300, 000 and was funded by NHS England and Improvement with the ability to upgrade the screening machine as technology advances.

The team started screening again in July 2020 after it was suspended for the safety of patients during the pandemic. Due to Covid, some services including breast screening had a reduction in patients attending appointments because they were either shielding or concerned about the virus.



*"This brand new unit is an amazing asset to the community, not only does it provide a service closer to home for some residents but it allows us to reduce waiting times and the need to visit a hospital, which can be busy."*

**Jessica Johnson, Health Improvement Practitioner**



## Supporting people in their own homes

UHNM, Stoke on Trent City Council and Midlands Partnership NHS Foundation Trust have joined forces to pilot the use of home-based sensors in the homes of the city's most vulnerable patients.

25 patients signed up to the MySense trial which aims to use assistive technology to monitor early changes in health and behaviour to ensure that the right support can be put into place early. This enables the patient to continue to live independently at home and reduce the levels of attendances into the emergency department and further hospital admissions to our hospitals at Stoke and County.

MySense is a set of sensors placed in each of the patients home to monitor their movements and routines and sent to a dashboard monitored by the High Intensity Users Team to look for patterns, changes and areas of concern which could result in an admission to hospital which could have been avoided.



"The aim is to identify, intervene and resolve any issues or challenges the patients are experiencing to reduce the need for reliance on hospital care and associated risks, maintaining health and wellbeing while promoting independence and choice for patients."

**Helen Ashley, Director of Strategy**



## HSJ Award Winner – Smart with your Heart Project

UHNM's heart failure team recruited patients to use digital services to help them understand and manage their own condition with confidence at home and help avoid a visit to the Emergency Department or a readmission to hospital.

The Smart with your Heart project was name winner of the Driving Efficiency Through Technology 2021 HSJ Award. Following an intensive judging process, ourselves, in partnership with Midlands Partnership NHS Foundation Trust and three digital companies were handed the prestigious accolade for an outstanding contribution to healthcare.

*"We were absolutely delighted to have been shortlisted in three categories but to be named as the winners in this category is the icing in the cake. It means a great deal to all those involved to be recognised in this way and we're confident that the positive impact of this award will help to create a long lasting legacy to the benefit of our patients."*

**Dr Dargoi Satchi, Consultant Cardiologist**

## Emergency Department Medical Assistant Team named Regional Champions in Parliamentary Awards

The Emergency Department Medical Assistant Team have been named as Regional Champions for their contribution during the Covid pandemic. The medical assistants are a team of students from Keele University who work alongside senior medics to provide support to patients and staff. During the pandemic, 22 additional medical assistants were recruited and the service was expanded to involve other community facing medical portals.

The addition to urgent care has significantly benefitted patients and clinicians with initial data showing the medical assistants team have helped to improve clinical decision making time in the Emergency Department by 29 minutes.

The Team was set up by Dr Andrew Davy, GP Lead for Research and Development and Emergency at UHNM and Dr Ruth Kinston, Consultant in Emergency Medical and Final Year Co-Lead at Keele University.

The UHNM medical assistants team will now go head to head with other winners from across the country to be judge by a national panel made up of senior leaders representing staff and patients, for the change to win the prestigious national award, which will be presented at a special ceremony in the House of Commons on 7<sup>th</sup> July 2021.

*"The medical assistant team at UHNM is the first in the country of its kind. It was established in response to a need for quicker assessment and decision making in one of the busiest areas of our emergency department – ambulance triage."*

## Outstanding service to heart patients

In January 2021 our cardiac rehabilitation team won a national award for outstanding service to heart patient. During lockdown the team launched an innovative live-stream exercise programme which enabled people to continue with rehabilitation from the safety of their own home. More than 40, 000 people were able to access the sessions, which were facilitated in conjunction with UK heart failure charity Pumping Marvellous. The charity has now given the team the Special Recognition Award for their contribution to heart care.

## UHNM Security Team recognised nationally

The Outstanding Security Performance Awards (OSPAs) reward companies and individuals across the security sector and provide an opportunity for outstanding performers to be celebrated. The UHNM Security Team were finalists in four categories; 'Outstanding Partnership', 'Outstanding Security Officer', 'Outstanding Security Manager' and 'Outstanding Security Young Professional'.

Security services at UHNM are provided through partnership working with Sodexo at Roval Stoke and in-house at the Countv site.

## Haemodialysis Team celebrated at the British Journal of Nursing (BJN) November 2020 Awards

The team, who provide dialysis and kidney care to patients at UHNM, were shortlisted in the 'Renal Nurse of the Year' category for their work developing and information card for patients with kidney disease. The new 'Hyperkalemia card' provides information to patients about their condition and risk factors associated with high potassium. It also alerts other medical professionals to the risk and need to take urgent bloods if Hyperkalemia – higher than normal potassium in the blood is suspected.

Potassium is a chemical which is critical to the function of the nerve and muscle cells, including those in the heart but high potassium is extremely dangerous and can lead to sudden cardiac arrest.

*"Although the card is a very simple idea, it could save lives and cost less than £150 and our aim is to share this good practice nationally. We were delighted to be shortlisted for this award. The team has worked very hard to push this scheme forward so it's a great morale boost for them to know we have been recognised at a national level."*

**Julie Cumberlidge, Deputy Associate Chief Nurse**

## Virtual Clinic for recovering Covid-19 patients

Our Critical Care Unit launched a comprehensive and innovative virtual multidisciplinary clinic for recovering Covid-19 patients. The pilot clinic acts as a one stop shop for patients who have recovered from a critical illness secondary to Covid-19 and involves rehabilitation coordinators, specialised therapists (speech and language therapy, occupational therapy, physiotherapy and psychology and critical care consultants). UHNM is one of the first trusts in the northern area to offer this service, which started in November 2020.

*"Although the full extent of the rehabilitation needs of people recovering from Covid-19 are not yet known, the NHS Discharge to Assess Model predicts that 50% of people will require health or social care services after they have been discharged. This pilot clinic will therefore focus on helping patients to identify the long term physical, mental and cognitive impact of Covid-19 and to offer appropriate therapy and referrals as required."*

**Dr Ram Matsa, Consultant Intensivist and Lead for Critical Care Rehabilitation and Follow-up**

## UHNM one of the first Covid-19 Vaccination Hubs in the UK

Opening December 2020, one of the first patients to be vaccinated in our hub was great granddad Alan Stevenson, 81 from Blythe Bridge. Also receiving their vaccine was Rosealyn Buxton, 55 from Sneyd Green who was the first care home worker. Here they share their experiences:

*"It's been a hard time, as it has been for everyone and now that I have had this vaccine and when I have the booster I hope I will be immune against the virus and try to get some normality back. It's quite a surprise and very exciting to be the first at the Royal Stoke and I'm delighted to have it!"*

*"I feel honoured and privileged to be the first care home worker to receive the vaccine. It took less than a second to have it done and it didn't hurt. I was asked last week if I wanted to have it done so I had to fill a form in with my name, address, doctor and then I had confirmation that it was going to be today. At first I was a bit undecided as it is something new that I have never been involved in before, but I want to protect my family, friends and work colleagues."*

## Thermographic technology which protects patients, staff and visitors from the spread of Covid installed

In June 2020, UHNM became the first UK healthcare organisation to deploy the innovative new technology, leading the way on the UK's road to recovery.

A total of eight cameras have been deployed strategically around Royal Stoke and County Hospital to prevent potential Covid carriers from entering and transmitting the virus to other patients and staff.

The cameras record body temperature and identify anyone displaying signs of fever, with real time alerts to enable interception and help prevent the spread of Covid and other contagious diseases.



We really value the feedback that we receive from our patients, their carers and families. We hear 'patient stories' at our Trust Board each month, which provide us with an opportunity to understand what it was like being a patient in our care and whether there is anything we learn from.



We take every opportunity to learn about how we can make the experience better for our patients and so it's great when we receive positive feedback from them – and it provides a real boost for our staff. Here is just a snippet of the fantastic feedback we've received during 2020/21.

”

"I had an x ray on my ankle today 21st October. I hate going places for the first time and get worked up about it. I was overwhelmed at how well I was treated from the gentleman on the door to the nurse who did the x ray. She treated me with respect and was really friendly and patient. If I have to go back for another x ray I will not be concerned about it. Thank you for your care."

”

"Following a blood test, further investigation was needed into my prostate readings. The blood results were reported to my GP on Friday morning. I was seen and examined that afternoon. The hospital contacted me to arrange a triage telephone call and as a result arranged an MRI scan. Following this I received a telephone report on the out come. The whole process took less than a fortnight. Every member of staff I either spoke to or met was wonderful and treated me as though I was a family member. I cannot express my admiration and thanks to all the people I encountered. Their professionalism and dedication was exemplary. This is my NHS and I am proud of it."

”

"I would like to thank the staff of ward 123. From the doctors to the healthcare assistants, they have been brilliant with me, reassuring me at all times. They are a fabulous team and made my stay very welcome. Nothing was too much trouble and they even had a laugh with you."

”

"I was treated at County Hospital for a day case gynae procedure. I had never been to County before and was a little apprehensive pre surgery. I can honestly say I have never felt more comfortable and well looked after in a hospital before. Every member of staff was kind, courteous and ensured that my dignity was maintained. The whole experience has made me so proud to work for UHNM knowing I have colleagues so fantastic across the trust."



We value all of our staff and the important part they play in our hospitals. We know that by investing and supporting our staff, in their wellbeing and their development, we are rewarded with staff who do their very best for our patients. This has been more important than ever during the Covid pandemic which has seen our staff working under unprecedented pressures and so we have worked extremely hard to ensure that their wellbeing has been a top priority. Below provides a summary of just some of the work that we have been doing during 2020/21 to ensure our staff are supported.

Over 100 trained Critical Incident Support Management practitioners have provided support to teams to enable reflection on incidents	3 Virtual Covid-19 rehabilitation course, 2 onsite courses have been commissioned for 40 staff to undertake	A programme of 'Listen and Learn' events have been developed and delivered which have sensitively covered staff experience of the pandemic	A full calendar of health and wellbeing seminars have been provided each month with over 400 staff accessing these opportunities
Development, with system partners, of an online Psychological Wellbeing Hub enabling access to additional mental health and wellbeing resources		'Rainbow' Team listening support sessions, with in excess of 20 teams accessing the intervention	Weekly system wide psychological support meetings which has enabled the development of collaborative approaches and solutions at system level
Development of the RESPOND 7 step model to wellbeing conversations, in collaboration with Combined Healthcare Trust	400 staff have received training on the RESPOND model and we have also provided training to St John Ambulance and West Midlands Ambulance Service	Several clinical areas, including Critical Care have been supplied with laptops and iPads to enable staff with online individual and team psychological	Over 180 staff had the opportunity to access the 'First Class Lounge' courtesy of Project Wingman
Laminated packs for display on ward notice boards have been provided, including key information and support helplines along with pocket size support cards	70 staff have access confidential 1-1 support provided by the People and Organisational Development Team and trained Mental Health Nurses	<b>TEA &amp; EMPATHY LINE</b> Tea & Empathy is our new peer to peer 24/7 listening support service  Call switchboard: Internal: Dial 0 External: 01782 715 444	Development of a 24/7 Tea and Empathy Service with over 38 members of staff coming forward to listen, deliver peer support and signposting



Despite the Covid pandemic, the Learning, Education and Widening Participation team have adapted, engaged, supported and led on a number of education projects and supported the wider organisation on volunteer recruitment, managing education facilities and the roll out of a number of virtual training sessions. In this time, the team supported a number of our educators and staff to adopt technology for new ways of learning, training and readiness. Here are some of the highlights:

## Apprenticeships

Our Learning, Education and Widening Participation Team are responsible for delivering on the National Apprenticeship Programme

This year we demonstrated a steady uptake of existing staff wanting to develop their career by undertaking a qualification via the apprenticeship route

We signed 61 new apprenticeships and overall we have 560 staff on an apprenticeship from Business Administration to a Masters in Senior Leadership

The programme continued throughout 2020/21 to host a wide range of apprenticeship standards; cohorts include Nursing, HR, Healthcare Science and Medical Physics

We also support internal staff development in Maths, English and Information Technology by signposting and facilitating functional skills

We are also part of the National Apprenticeship Trailblazer Group which will be starting to develop the Doctor Apprenticeship

## Work Experience



"In 2020/21 we had to adapt our work experience offer due to Covid and for the majority of the year, placements were on hold. However, what we did do.....".

The team focussed on recruitment of student volunteers and supported our in-house volunteer team. This included supporting the recruitment and training of over 50 student volunteers from application form to starting.

Development of 'Step into UHNM' Programme, this meant we delivered sessions by virtual talks which focussed on clinicians talking about their roles, how they started their career and what it's like to work at UHNM.

The talks have been inspirational to our local communities and the programme will continue into 2021/22 with a focus on Medics, Nurses, Allied Health Professionals, Healthcare Scientists, Estates and Facilities.

We've also been working with schools and colleges to support their student career aspirations by our unique mentoring offer.

# Learning, Education and Widening Participation Projects

**Working in partnership with our Head of Midwifery, Staffordshire University and Newcastle and Stafford Colleges we supported aspiring midwives using the latest simulation mannequin**

**We are working with teaching staff in schools to develop lesson plans to demonstrate how curriculum is applied in the NHS**

**We continue to support Armed Forces service personnel and their families who are looking to work in the NHS**

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**We are a member of Stoke and Staffordshire Local Enterprise Partnership's Skills Advisory Panel advising the Partnership on the application of its skills strategy**

**We continue to be one of the Cornerstone Employers for the Stoke Opportunity Area to raise education standards to allow young people to reach their full potential**

**We support local and national initiatives to support unemployed members of the community back into work**

**The Frailty Academy which was developed to deliver Frailty Training to health and care colleagues has achieved a landmark in this year by delivering training to over 1000 delegates**

**We launched UHNM Career Conversations to provide staff with career information, advice and guidance, supporting professional aspirations and signposting on to their 'next steps'**

**Over 80 career conversations have been completed with staff all of which have resulted in them enrolling on further personal development activities or additional career support activities**

**As part of the ongoing project, Thistley Hough Academy students have been supported with oral health, physical exercise and healthy eating**

**Resources are being developed to include schemes of work and lesson plans that will be disseminated to all secondary schools in Staffordshire.**

## Success and Recognition

We received recognition from one of our key education partners in Newcastle, Stafford and Colleges Group (NCSG) who named UHNM Employer of the Year to complement our dedication to providing efficient communication and liaison with their students in supporting their studies with high quality enrichment sessions, virtual work experience to support continuation of the Gatsby benchmarks during a pandemic and apprenticeships.

# A Centre of Excellence - Our Awards



Key to our 2025 Vision is to be a world class centre of clinical and academic achievement and care – where our staff work together to ensure our patients receive the highest standard of care and one where the best people want to work.

For the first time, a virtual staff awards ceremony was held in October 2020 and the winners are listed below:



**Employee of the Year**  
**Debbie Jones**



**Hospital Hero**  
**Julie Jefford**



**Hospital Hero**  
**Alejandro Bancalé**



**Leader of the Year**  
**Melissa Hubbard**



**Rising Star**  
**Deborah Tomlinson**



**Apprentice of the Year**  
**Georgia Roden**



**Apprentice of the Year**  
**James Sanderson**



**Clinical Team of the Year**  
**Breast Care Team**



**Non Clinical Team of the Year**  
**IM&T**



**Behaviour to Inspire**  
**PICU**



**Wellbeing Initiative**  
**Critical Care**



**Bright Idea Award**  
**Anaesthetics & Gynaecology**



**Research Culture**  
**Recovery Trial Team**



**UHNM Charity Award**  
**Mr Golash**



**Volunteer of the Year**  
**Mary Jackson**



**Partnership of the Year**  
**CRIS Team**



**We recruit thousands of patients per year into studies led by internationally renowned researchers in a variety of areas from novel interventions and drugs to device innovations which aim to improve quality of life and outcomes for our patients. Research nurses and midwives work alongside clinicians, multidisciplinary teams and support services to identify potential research participants, discuss trials with patients and provide care throughout the studies.**



**During the pandemic UHNM has been contributing to the delivery of national Urgent Public Health Studies in response to COVID-19. The trials have provided important information on the epidemiology of the virus as well as potential treatment options for those affected by COVID-19.**

During 2020/21:

- We recruited more than 6000 participants to COVID-19 research studies, this contributed to UHNM being the second highest recruiter for the West Midlands.
- We were one of the top 3 recruiting sites in the country for REMAP-CAP, this intensive care based study, looks at patients with Community Acquired Pneumonia and identifies the effect of a range of interventions to improve outcome.
- We have successfully opened and recruited 250 participants to the SIREN study, which looked at whether prior infection of SARS-CoV2 protects against future infection of the same virus.
- We continue to support home-grown research, this included setting up and opening the COVAC-IC study in less than 3 months. This study looks at the immune response to COVID-19 vaccines in immunocompromised patients with haematological disorders.
- We are sponsoring a medical device trial led by one of our UHNM Paediatric consultants in collaboration with an international company. The trial which will look at performance and adherence in children and young people whilst using asthma devices.
- We continued to support the management and evaluation of the £1.2m Innovate UK Heart Failure Test Bed which uses digital technology to improve early detection of deteriorating health in heart failure.
- A small grant of £14,000 was awarded by the North Staffordshire Medical Institute to a UHNM Dietician with support from the academic team. This pilot/feasibility study will look at whether using coloured crockery with older people improves their dietary intake.
- One of our cardiology consultants has been awarded a Clinical Research Network West Midlands Academic Research Scholarship. This will enable him to develop his research portfolio and strengthen links with Keele CTU.
- A Speech and Language therapist has been successfully awarded a Clinical Research Network West Midlands personal development award to support them to develop their research skills and portfolio.
- UHNM has acquired RED-CAP, which is a system that enables better data management and also enables virtual consenting of patients taking part in research.
- The COVID pandemic has helped the research department to explore different ways to run research trials; it has helped to streamline processes and facilitated the progress of remote consent and remote monitoring of studies.

## **New Director of Research and Innovation appointed**

Dr Kamaraj Karunanithi, was appointed to the post of Director of Research and Innovation. Dr Karunanithi a Consultant Haematologist, manages various commercial and National Institute for Health Research (NIHR) studies at UHNM and is a member of Research and Innovation's clinical oversight group for research studies approval.

Dr Karunanithi is an expert in the management of Myeloma and has a special interest in stem cell transplant and various Myeloma-related clinical trials. He has been Clinical Director for Haematology, Oncology, Immunology and Palliative Care at UHNM since 2018.

Dr John Oxtoby, Executive Medical Director, said: “Dr Karunanithi has been instrumental in Myeloma research and his knowledge and experience will be invaluable to us as we work towards our vision for the future. We would like to congratulate Dr Karunanithi on his new appointment and wish him every success with this new role.”

### **Covid-19 Studies at UHNM**

March 2021 marked 12 months since UHNM recruited its first patient into research studies about Covid-19. Since that time almost 2,000 patients from Royal Stoke University Hospital and County Hospitals, Stafford have been involved in studies and research from diagnostic testing through to life saving drugs and therapies.

The first study the UHNM Research and Innovation team were involved in was called ISARIC - a global pandemic study which had lay dormant since 2011 ready to surface for any potential emergence of infectious disease or, in the case of 2020, a new emerging respiratory virus. With this the ISARIC Coronavirus Clinical Characterisation Consortium was launched.

Dr Chris Thompson, Consultant in Renal and Intensive Care Medicine and Principal Investigator ISARIC said: “from the start of the pandemic cases of hospital admissions increased and very quickly clinical characteristic of Covid-19 was the most important part of the study and fed in to the Chief Medical Officers response to the new pandemic. This was extremely fast paced with data collected and added to national database in real time. The data needed constantly changed and was implemented immediately which is something very different to usual practice in research which can often be lengthy and slow.

“As new clinical trials came on board such as the RECOVERY trial and REMAP-CAP, the data collected for ISARIC added supporting data assessing how quickly new treatments suitable for patients with Covid-19 in hospitals were implemented. Currently, the study is still looking at clinical characteristics of the disease along with real time data for patients receiving new therapies for Covid-19 such as Dexamethasone, Tocilizumab and Sarilumab. We have submitted 4,012 sets of data for ISARIC and this has assisted in the development and review of UHNM Covid-19 Care Plans.”

The ISARIC study has included support from the whole UHNM research and innovation delivery team as well as support from the pharmacy, microbiology and nursing when data collection was focusing on tracking treatments for patients.

Dr Thompson added: “The RECOVERY trial and REMAP-CAP have helped provide new treatments in an amazing timescale for this emerging disease. The whole of UHNM should be immensely proud of how they have supported research into Covid-19. Additional to this and for the first time ever 250 staff at UHNM have been actively involved as research participants in the national SIREN study.”

### **NIHR Research for Patient Benefit award**

Approximately 200 patients took part in the ‘Helium’ study, which was funded by the National Institute of Health Research (NIHR). Results of the study will help clinicians to develop evidence-based medicine, leading to a greater benefit for patients. Patients will also have more informed choice regarding treatments. UHNM successfully completed the study, which has been accepted for publication by British Journal Obstetrics & Gynaecology.

Mr Gourab Misra, consultant in obstetrics and gynaecology, said: “We really want to congratulate the helium research team for having their paper outlining the finding of the Helium trial published in BJOG: An International Journal of Obstetrics and Gynaecology. This is a fantastic achievement and everyone has worked incredibly hard to bring this benefit to patients.”

The team were awarded an ‘NIHR Research for Patient Benefit’ grant to conduct a randomised controlled trial into Laparoscopic excision/ablation with helium thermal coagulator compared with electro-diathermy for the treatment of mild to moderate endometriosis.

# Working with our Partners



## Keele University



By partnering with our local organisations we can continue to support, develop and build our workforce through offering high quality education, training and research opportunities.



Keele University is a key strategic partner of ours and we are particularly proud of our partnership with their Undergraduate Medical School in the delivery of our 'Bachelor of Medicine' and 'Bachelor of Surgery' courses, which have been a huge success.

There have been many competing challenges and priorities for both UHNM and Keele which have been compounded by the pandemic during the 19/20 academic year. The relationship between the two organisations has strengthened and grown. There has been much collaboration and support for each other to reach the shared goal of 'graduating excellent doctors'.

The recent Quality Management visit to UHNM by Keele University was overwhelmingly positive despite medical student learning being impacted on by the pandemic. UHNM clinical teaching was ranked as **outstanding**. Maintaining Medical Students learning at UHNM throughout the pandemic was seen as a good example of partnership working between Keele University and UHNM.

Here are just some highlights of our good practice:

- Working with the Trust to have Early lateral flow test kits provided for Medical and Physician Associate students and early Covid vaccines offered to Medical and PA students
- CEC rooms converted into multifunction rooms to allow for skills over spill and to help remediate lost learning.
- Close working with PA team to ensure wards and departments not overwhelmed with students.
- Retired clinicians providing online teaching.
- Individual teaching rooms in CEC with webcams and headsets for use on teams.
- Good working relations with the Trust to expedite Medical Assistant placements. Working together to the advantage of patients and students
- New Interim Foundation Year posts - another example of working together to the advantage of patients, students, and junior doctors.
- Medical students volunteered to help on the acute areas of the Trust to support clinical areas through the pandemic.
- The National Student Survey (NSS) survey which is completed by final year students every year ranked Keele Medical School 8<sup>th</sup> in the UK. Satisfaction rate for the overall course was 89%. The final year pass rate for 2020 was 99.23%



We are very proud of our partnership working with our PFI partners, Project Co, Sodexo, Siemens and KCOM which is recognised at a national level as being exemplary.



SIEMENS Healthineers KCOM sodexo QUALITY OF LIFE SERVICES HEALTHCARE SUPPORT NORTH HEALTH LTD

During 2020/21 which has been an unprecedented year related the global pandemic our partners have been required to show flexibility and resilience to support the trust in the fight against Covid-19. The teams responsible for delivering estates, facilities and data & technical services have had to adapt at short notice, responding to requests for additional services and supporting the clinical teams to deliver in what has been an extremely challenging year for all involved. They have responded in many ways, which has been highlighted below, showing the benefits of the partnership working that occurs on site and the trust that each party shows in one another to achieve what is needed.

## Partnership response to COVID-19

- **Volunteer Training:** at the beginning of the pandemic it was identified that a work force of volunteers may be required to help with non-clinical tasks such as cleaning, help at mealtimes and general housekeeping duties on the wards. A team of facilities, dietetics and nursing staff planned and implemented the training for over 70 non clinical UHNM staff, in preparation for them being needed on the wards. The training covered, amongst other things, infection prevention, food safety and ward etiquette.
- **Domestics:** The domestic service has supported through additional resources throughout the last year, with dedicated teams in certain areas based on the clinical demand, this allowed a quicker turn around for terminal cleans promoting patient flow and giving particular area's more attention based on the area demand. Area's such as Theatres and PACU had additional resource to reduce the pressure on certain tasks, enabling nursing teams to concentrate on the patients to delivering the care required. Additional services have been provided in a variety of new locations such as the Welfare Area's, relaxation PODS and new clinical spaces created to meet the demands of the pandemic.
- **Catering:** The catering team have also supported the Trust needs appropriately throughout the pandemic. These included supplying over 2000 buffet boxes over the Christmas period, supporting with hydration stations for areas of high demand within the trust and managing well with set Covid Menu throughout the course of the pandemic. The team have also supported with getting complimentary food items out to staff. The Retail team supported early on in the pandemic through the creation of snack bags for all staff on site, supplying wards with food and drink to get them through the day and ensure the clinical teams could continue with the urgent care of patients. The catering outlets opening times were reviewed to ensure hot food and snacks are offered throughout the night giving essential services the

provision they needed. The team have also supplied, on various occasions, significant amounts of breakfast baps, coffees/tea's at the request of the trust to say thank you for the efforts of all teams on site throughout the year.

- **Portering:** The portering team have been extremely busy throughout the pandemic and have responded well to what was required of them. They have been actively providing mask station top up services to ensure PPE requirements are met for staff and visitors, Providing additional support to AMU , ED and Imaging to support patient flow and providing extra cleaning of wheelchairs and other portable equipment to reduce the risk of cross infection.
- **Security/Helpdesk:** the teams have been providing additional security presence throughout 2020 to manage the Vaccination centre that has been in situ on site. The helpdesk has been managing the highest number of inbound calls recorded since the contract began, with up to 50,000 calls per month.
- **Variations and Project works:** The Trust Capital Team and Sodexo have worked in collaboration on a number of critical projects to support the service during the pandemic. Teams have also responded to the vast increase in demand for the additional variations to enable trust services to continue throughout the pandemic. Examples of the works have included providing additional segregated areas within ED, perspex screens the Atrium main entrance and the installation of a vaccine hub in Pharmacy.

## Partnership delivery of service advancements

During 2020 /21 the Trust and PFI providers have achieved the delivery of new projects to support and assist patients, staff and visitors with advancements in key areas.

Estates, KCOM & Siemens network and equipment developments have included the introduction of new Wi-Fi service across Royal Stoke, new Cardiology PACS service, upgrade to multi-dose injectors in CT and contingency PACS solution, and installation of the CSSD replacement washer.

Thank you doesn't seem enough for the enormous part all the teams have played during the Covid pandemic.

Over the past 12 months numerous comments/compliments have been received from Trust staff and patients/visitors for all the various services provided, there are too many to include them all so listed below are just two examples.

*"A massive thank you to all the domestic teams working in supporting the ED department in keeping us safe during the Covid 19 pandemic. The amount of deep cleans your completely on a daily basis is fantastic and you do it all with a smile shift in shift out. We could not get through a shift without you. You're all a valued team."*

*"Tracy Bullock would like to give William Knock and Liam Eccleston the CEO Award in recognition of the lifesaving care they gave to someone on site recently."*

# Part B: Performance Analysis

## Financial Performance Review



For 2020/21 the existing funding arrangements for NHS Trusts were suspended and temporary changes were introduced to ensure that Trusts had sufficient income and cash to maintain their services. The arrangements for the first 6 months of the year consisted of a block payment on account based on the average expenditure run rate for month 8 to 10 in 2019/20 uplifted for inflation plus a retrospective top up to ensure that the Trust achieved a breakeven position each month; under these arrangements the Trust received a total of £25.394m of retrospective top up funding for the first 6 months of the year. The financial performance of breakeven for the first 6 months was heavily influenced by two key factors:

- Additional expenditure of £10.9m relating to Covid-19 including the costs for the early start of undergraduate Nursing and Midwifery students and the final year medical students
- A significant reduction in Clinical Supplies expenditure (the Trust spent £8.3m less in the first half of this year than for the same period last year)

For the second 6 months of the year the block payments continued but the top up payments were fixed with the Trust receiving a top up of £20.296m for the second 6 months of the year. The Trust's plan for the second 6 months of the year was to deliver a deficit of £2.2m including the receipt of £12.4m of deficit support funding (£4.95m from DHSC and £6.25m from CCGs). The actual surplus achieved of £7.1m was mainly as a result of central funding being made available for the increase in the Annual Leave accrual, the impact of the Flowers Employment Appeal Tribunal and to compensate the Trust for reduction in other income. In addition to this the Trust saw lower levels of expenditure on Clinical Supplies during the lockdown in early 2021.

Throughout the year the Trust has reported its financial performance against the temporary funding arrangements and also against its internal budgets which were set before the beginning of the financial year.

For the second year running the Trust has delivered a surplus and has a plan to breakeven for the first half of 2021/22 for which the temporary funding arrangements have been extended; funding arrangements for the second half of the year have not been agreed yet.

The Board of UHNM is the Corporate Trustee for the UHNM Charity. Charitable income received for the year from donations, legacies and investments amounted to £3.2m. During the year £4.2m was spent on advanced medical equipment, staff development, high quality research and enhancing the hospital environment.

## Statement of Comprehensive Income Account: Year Ended 31 March 2021

	2020/21		2019/20	
	£'000	%	£'000	%
Revenue from patient care activities	777,292	85%	723,279	86%
Other operating revenue	137,784	15%	117,357	14%
<b>Total revenue</b>	<b>915,076</b>	<b>100%</b>	<b>840,636</b>	<b>100%</b>
Operating expenses	(881,523)	98%	(826,612)	97%
<b>Operating surplus / (deficit)</b>	<b>33,553</b>	<b>4%</b>	<b>14,024</b>	<b>2%</b>
Other gains and losses	71	(0%)	40	(0%)
<b>Surplus / (deficit) before interest</b>	<b>33,624</b>	<b>4%</b>	<b>14,064</b>	<b>2%</b>
Investment revenue	99	(0%)	299	(0%)
Finance costs	(17,131)	2%	(24,190)	3%
<b>Surplus / (deficit) for the financial year</b>	<b>16,592</b>	<b>2%</b>	<b>(9,827)</b>	<b>(1%)</b>
Public dividend capital dividends payable	(5,637)	1%	0	0%
<b>Retained surplus / (deficit) for the year</b>	<b>10,955</b>		<b>(9,827)</b>	

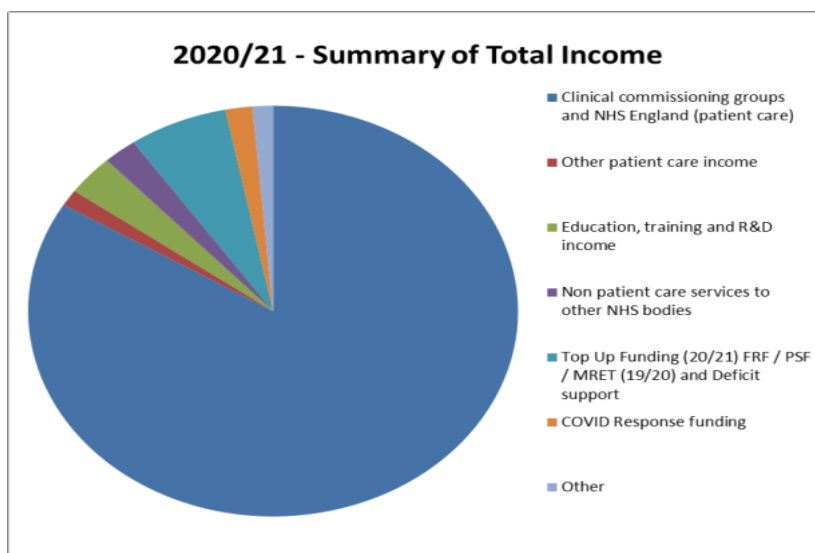
## Performance against Breakeven Duty

	2020/21	2019/20
	£'000	£'000
Retained support / (deficit) under IFRS	10,955	(9,827)
Impairments	15	15,057
Adjustments for donated asset/gov't grant reserve elimination	(3,110)	1
<b>Net impact of DHSC provided inventories for Covid response</b>	<b>(775)</b>	
<b>Adjusted financial performance surplus / (deficit)</b>	<b>7,085</b>	<b>5,231</b>

## Revenue Income

Income in 2020/21 totalled £915.1m. The majority of the Trust's income (£765.6m, 83.7%) was delivered from Clinical Commissioning Groups and NHS England in relation to healthcare services provided to patients during the year. Other operating revenue relates to services provided to other Trusts, training and education and miscellaneous fees and charges. 2020/21 Funding includes Top Up Funding and specific Covid response funding, but FRF/PSF and MRET funding was not received in year as a result of the funding changes.

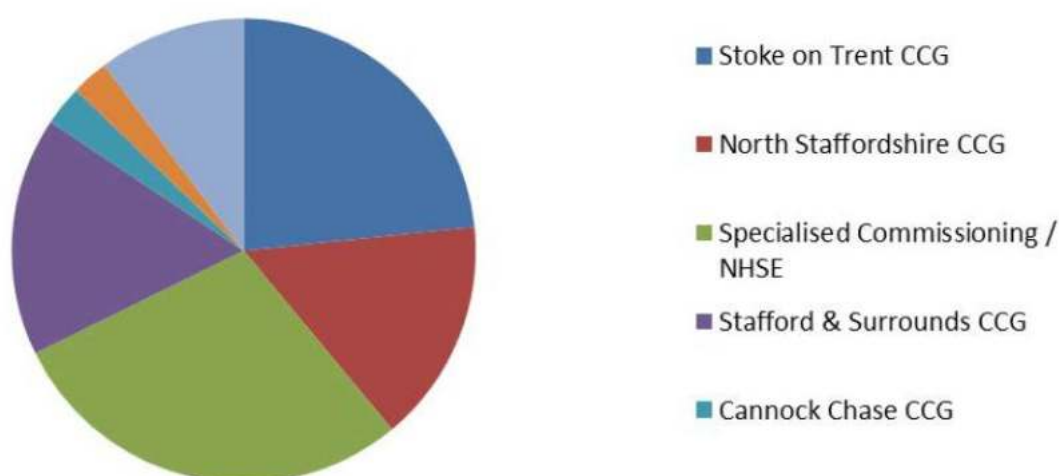
## Summary of Total Income 2020/21



	2020/21	2019/20
	£m	£m
Clinical Commissioning Groups and NHS England (patient care)	765.6	709.4
Other patient care income	11.7	13.9
Education, training and R&D income	29.1	30.1
Non patient care services to other NHS bodies	20.4	15.1
FRF / PSF / MRET and Deficit support	59.7	56.8
Covid Response funding	16.3	
Other	12.4	15.3
<b>Total revenue</b>	<b>915.1</b>	<b>840.6</b>

## Summary of Income from CCGs & NHSIE 2020/21

### 2020/21 - Summary of Income from CCGs & NHSIE



	2020/21		2019/20	
	£m	%	£m	%
Stoke on Trent CCG	181.7	23%	186.4	26%
North Staffordshire CCG	121.2	16%	125.2	17%
Specialised Commissioning / NHSIE	223.6	29%	226.1	31%
Stafford and Surrounds CCG	129.3	17%	75.9	10%
Cannock Chase CCG	21.6	3%	22.4	3%
South Cheshire CCG	20.1	3%	13.2	2%
Other	79.8	10%	74.2	10%
<b>Total revenue from patient care</b>	<b>777.3</b>	<b>100%</b>	<b>723.3</b>	<b>100%</b>

	2020/21	2019/20	% Change
	£m	£m	%
<b>Revenue from patient care activities</b>	<b>777.3</b>	<b>723.3</b>	<b>7%</b>
Other revenue:			
Medical school (SIFT)	6.4	7.4	(13%)
Junior doctor training (MADEL)	14.1	13.7	3%
WDD funding	2.4	4.0	(38%)
Research and development	2.6	3.5	(26%)
Non patient care services to other NHS bodies	18.3	15.1	21%
Other Income	93.9	73.7	27%
<b>Total other revenue</b>	<b>137.8</b>	<b>117.4</b>	<b>17%</b>
<b>Total revenue</b>	<b>915.1</b>	<b>840.6</b>	<b>9%</b>

## Operating Expenditure

Staff costs at £553.2m represent 62.8 per cent of the Trust's operating expenditure with clinical supplies and services non pay costs representing a further 19.4 per cent. A summary of operating expenditure is shown in the table below.

Summary of Operating Expenditure	2020/21	2019/20	% change
	£m	£m	%
Staff costs	553.2	506.0	10%
Other costs	76.6	76.3	(2%)
Clinical supplies and services	171.0	154.1	11%
Depreciation	30.2	28.5	6%
Premises costs	27.6	26.1	6%
Clinical negligence	23.0	20.6	12%
<b>Total operating expenditure before impairments</b>	<b>881.5</b>	<b>811.6</b>	<b>9%</b>
Impairments	0.0	15.1	(100%)
<b>Total operating expenditure</b>	<b>881.5</b>	<b>826.6</b>	<b>7%</b>

## Capital

Of the capital funding in 2020/21, £18.5m was generated internally from the depreciation of assets and this is predominantly allocated to the replacement of medical equipment, ICT systems and the refurbishment of the Trust's buildings and estate. In addition the Trust was awarded central capital funding totalling £32.0m for a number of investments including the purchase of modular wards and theatres, the purchase of estate in relation to the car parking solution and the demolition of the Royal Infirmary site. The main areas of capital expenditure are as set out below:

Capital Spend	2020/21 £'000
<b>Medical Assets</b>	2,700
Other Medical Asset Replacement	2,300
Linear Accelerator Replacement (No. 3 of 4)	2,200
Covid Response Equipment	1,500
Diagnostic and Testing Equipment	1,300
Interventional Radiology Suite 2 – Bi Plan	900
Medical Devices Fleet Replacement	600
Pathology Equipment	2,700
<b>Total Medical Assets:</b>	<b>11,500</b>
<b>ICT Schemes</b>	
Data Centre Refresh	2,000
ICT Infrastructure	1,300
Electronic Prescribing (EPMA)	700
Laboratory Information System	600
Speech Recognition	600
Electronic Patient Letters	300
Robotic Process Automation	300
Cyber Security	100
<b>Total ICT Schemes:</b>	<b>5,900</b>
<b>Estates and General Works</b>	
Purchase of Modular Wards and Theatres	9,100
Royal Infirmary Site Demolition	6,800
Estates Infrastructure and Backlog Maintenance	5,600
Purchase of Grindley Hill in relation to Car Parking Solution	5,300
Emergency Department Accommodation	3,800
PFI Lifecycle and Equipment	2,000
Expansion of Laboratory Space	500
<b>Total Estates &amp; PFI Schemes:</b>	<b>33,100</b>
<b>Total</b>	<b>50, 500</b>



# Environmental Matters/Sustainability

During 2020/21 the UHNM sustainability service underwent a restructure, resulting in the launch of two new Sustainability Working Groups in September 2020 and the reinstatement of the Trust Sustainability Steering Group, a strategic, high level Group which will meet biannually, chaired under Director Leadership and will help to raise the profile of Sustainability to our Trust Board.

Despite the pandemic there have been some fantastic achievements in the areas of Waste, Plastic Reduction, Energy & Water Schemes and Travel & Transport.



## Waste



County Hospital invested in an environmentally friendly bio digester! Disposing of food waste safely, economically and environmentally has always been a priority at University Hospitals of North Midlands NHS Trust. The bio digester can digest up to 500kg of food waste in a 24 hour period, they require little maintenance, do not need to be cleaned out and leave no smells.

We underwent a 'Dump the Junk' project at both our hospital sites; this was carefully managed by the Waste Team who managed to ensure scrap metal was recycled as well as electrical equipment and to date over 20 pieces of equipment and furniture have been rehomed in other departments, reducing our contribution to landfill disposal!



## Plastic Reduction in Catering at County

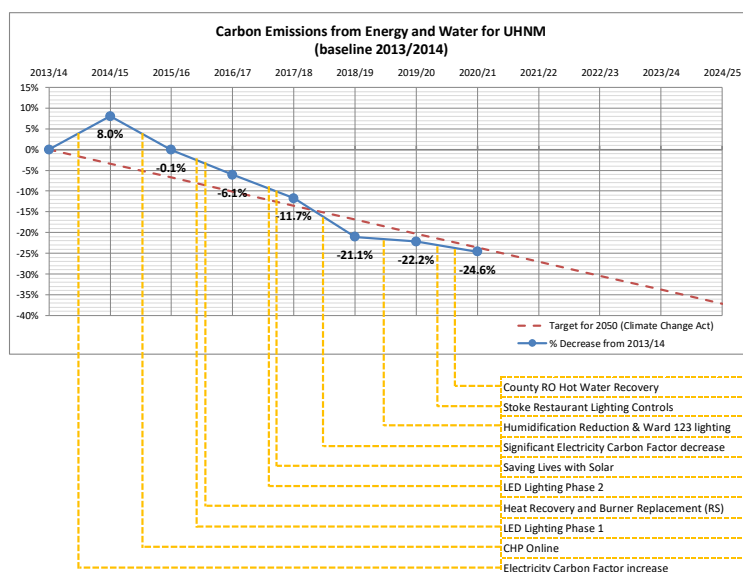


Exceptional efforts were made to reduce the single-use plastic items from wards and departments by our in-house Catering Team at County. All wards and areas now have crockery cups & saucers and wards with dishwashers retain all their crockery for washing and use when required. Those without have additional crockery delivered and collected for central washing in our department.

County has already introduced metal teaspoons and knives, for patient beverages and snacks i.e. (cheese & biscuits). A key area to address is for patient drinking cups, these used to be glass & re-usable but are now plastic.

## Energy & Water

Carbon emissions relating to Energy and Water have continued to reduce in line with the required trajectory to hit the net zero targets by 2050. Various schemes have contributed to this reduction. Hot water at County Hospital was previously being dumped to drain as part of a sterilisation process; this is now being recovered and used as feed-water for the steam boilers. The lights in the restaurant at Stoke are now being controlled based on both occupancy and daylight; other areas are now being looked at for similar controls. Insulation of pipework and related services has been upgraded at both sites, and some additional LED lighting has been installed.



Various larger schemes have been worked up, and funding applied for, including from the Public Sector Decarbonisation Scheme. Unfortunately we were not successful in attracting any funding this year. The team will continue to seek funding, and innovative financing methods, to try to secure investment. It is clear that a continued decrease in carbon emissions and costs related to energy consumption will only be achieved through significant investment.

## Saving Lives with Solar - Community Energy Scheme

We are delighted to report that the scheme won a BMJ award in October 2020 and although temporarily affected by the pandemic, the project team will be working to make it easier for our staff to refer vulnerable patients and prevent unnecessary re-admissions. There is a dedicated Intranet page for staff. In 2020/21 19 patient referrals were made. In addition to clinical sustainability, the scheme is also contributing to financial and environmental sustainability through off-grid solar energy generation and associated carbon savings.

## Sustainable Travel and Improving Air Quality – Scoot to Commute!



Staffordshire County Council (SCC), Amey and its e-scooter provider Ginger have partnered with University of Hospitals North Midlands Trust (UHNM) to trial e-scooters from its County Hospital site. UHNM is the first NHS provider in the country to be part of an e-scooter trial.

As one of the largest employers in the area UHNM is responsible for a large proportion of traffic and congestion each day – approximately 3.5% (9.5 billion miles) of all road travel in England relates to patient, visitors, staff and suppliers to the NHS. This equates to 14% of the systems total emissions.

By trialling the use of e-scooters the Trust is providing its staff, visitors and patients not only a socially distanced travel option but also a means to reduce carbon emissions through offering alternatives to car travel for those shorter journeys.



*"Our electric scooter trials in Stafford have been a great success since its launch last September, offering a safe alternative and green transport option for people. It has gradually been rolled-out to different parts of town and we're pleased to see new bays installed at County Hospital with support from the NHS Trust. The operator Ginger is offering free scooter rides to NHS employees as a mark of gratitude for the tremendous work they have been doing for us. This is an important project for the county council as we are exploring innovative clean air transport solutions as we aim to fulfil our commitment to combatting climate change."*

**David Williams**  
Staffordshire County Council's Cabinet Member for Highways and Transport










# Key Issues and Risks

Our risk management framework enables us to identify, assess and manage any risks which might threaten the achievement of our objectives.

These 'strategic risks' are monitored by our Board and Committees on a quarterly basis, via the Board Assurance Framework (BAF).

Throughout 2020/21, we identified a total of 9 risks which might compromise the achievement of our Strategic Objectives.

The changes to the risk scores in respect of the 9 risks are shown below, and it should be noted that the most significant risks facing the Trust, related to sustainability of the workforce and the ability to restore services to pre-Covid levels.

Page	Summary Risk Title	Strategic Objectives Under Threat	Change in Risk Score				
			Q1	Q2	Q3	Q4	Change at Q4
BAF 1	Harm Free Care		High 9	High 9	High 12	High 9	↓
BAF 2	Leadership / Culture and Delivery of Trust Values and Aspirations		High 12	High 12	Ext 20	High 12	↓
BAF 3	Sustainable Workforce		High 12	High 12	Ext 20	High 12	↓
BAF 4	System Working – Vertical		High 12	High 9	High 9	High 9	→
BAF 5	System Working – Horizontal		High 12	High 12	High 12	High 9	↓
BAF 6	Restoration and Recovery		Ext 20	Ext 25	Ext 25	Ext 25	→
BAF 7	Infrastructure to Deliver Compliant Services – IM&T		Ext 16	Ext 16	Ext 16	Ext 16	→
BAF 8	Infrastructure to Deliver Compliant Services - Estate		Ext 16	Ext 16	Ext 16	Ext 16	→
BAF 9	Financial Sustainability		High 9	High 12	Mod 6	Mod 6	→

In addition, our risk management framework provides a mechanism by which uncertainty associated with the delivery of key performance indicators can be identified, overseen and managed. Such risks are identified at an operational level by our Divisional and Directorate Teams and where appropriate, escalated for the attention of the Executive Team via the Performance Management Review Process.

Further details on risk and the Board Assurance Framework can be found later within this report, in our Annual Governance Statement.

# Going Concern

The Trust's financial statements for 2020/21 have been prepared on the basis that the Trust is a going concern. When adopting the financial statements the Board of Directors will be asked to agree with the decision made by management to prepare the financial statements as a going concern. To comply with International Accounting Standards, the Trust is required to undertake an assessment of its ability to continue as a going concern. This assessment is set out in this report for Audit Committee consideration.

## Going Concern Review

Accounting standards state that financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

The Criteria used for an NHS Trust to consider whether it prepares its accounts on a going concern basis are set out in the DHSC Group Accounting Manual (GAM), based on the HM Treasury Financial Reporting Manual (FRM). It is in line with this document that the assessment is being made.

## Assessment Rules

NHS England and NHS Improvement (NHSI) have indicated that there was to be a change in the guidance on assessing going concern for NHS organisations. This updated guidance was issued on 1 April 2021.

There are 3 main documents which set out this guidance. They are the letter sent by NHSI, the updated GAM and the issued FRM.

## Criteria Assessment

Considering the criteria set out for preparation of the accounts on a going concern basis an assessment has been made of the Trust's position against the key criteria.

## Conclusion

Considering the criteria set out for preparation of the accounts on a going concern basis and the results of the assessment made of the UHNM position with regard to this criteria it is concluded that there is no other a response which would support the accounts of UHNM not being prepared on a going concern basis. The accounts of UHNM for 2020/21 should therefore be prepared on a going concern basis.



Tracy Bullock, Chief Executive  
14<sup>th</sup> June 2021

# Part B: Accountability Report

## Corporate Governance Report

The role of the Board is to set strategy, lead the organisation, oversee operations and to be accountable to stakeholders in an open and effective manner. The Trust Board has a role therefore to hold the organisation to account for delivery of the strategy as well as seeking assurance that the systems of control are robust and reliable. Corporate governance is the system by which Board led organisations are directed and controlled and the Trust Board is separate from the day to day operational management, which is the responsibility of the Executive Directors and the management structure they lead.

## Directors' Report – Our Board

The Board met 13 times during the year and consists of the Chair, 6 Executive Directors including the Chief Executive and 6 Non-Executive Directors. A number of other Directors also sit on the Board but do not have voting rights. David Wakefield is Chair of the Trust.

During 2020/21 and up to the signing of the Annual Report and Accounts, the composition of the Trust Board included all Directors shown below:

### Non-Executive Directors

#### David Wakefield, Chairman



David was appointed as chair for a four year term of office on 3 April 2018. David is a qualified accountant and has held several senior executive posts, including Commercial Finance Director for Royal Mail.

He has also held a number of non-executive directorships, including the Chair at other NHS Trusts.

**In addition to being Chair of the Trust Board, David chairs the Nominations and Remuneration Committee and is a regular attendee of the Performance and Finance Committee.**

#### Gary Crowe, Non-Executive Director / Vice Chair



Professor Gary Crowe was appointed in September 2018 for an initial two year term. He was given a further two year term in August 2020. Gary is a University Professor of Innovation Leadership, attending Keele Management School and Loughborough University. He previously held senior commercial positions in strategy, business transformation and risk and financial management as a director and management consultant in the private services sector.

Gary holds a number of external board appointments and is a qualified Chartered Banker and Fellow of a number of professional organisations and learned societies.

**Gary is Chair of the Audit Committee and the Transformation and People Committee. He is a member of the Nominations and Remuneration Committee.**

## Peter Akid, Non-Executive Director



Peter Akid was appointed in September 2018 for an initial two year term and was reappointed in August 2020 for a further two year term. He began his NHS career in 2005 as Chief Executive of the Greater Manchester Procurement Hub and over the first five years took the organisation from strength to strength.

Prior to joining the NHS, Peter held a number of key positions in strategic and operational procurement, both in the public and private sectors. Peter is a member of the Chartered Institute of Purchasing and Supply and the Chartered Institute of Logistics and Transport. He is also a member of the Royal Institute of Chartered Surveyors.

**Peter is Chair of the Performance and Finance Committee and a member of the Nominations and Remuneration Committee, Charity Committee and the Audit Committee.**

## Sonia Belfield, Non-Executive Director



Sonia Belfield was appointed in July 2016 for a two year term, reappointed for a second term in July 2018 and a further two year term in June 2020. Sonia is a commercially focussed Human Resources Director who has operated at Board level for over 10 years within a number of different sectors.

Sonia is a Chartered Member of the Institute of Personnel and Development and holds a master's degree in Occupational Psychology (Psychology of Work) as well as being a qualified mediator. Sonia also holds a post as a Governor for Reaseheath College in Nantwich.

**Sonia is Chair of the Quality Governance Committee and a member of the Audit Committee, Nominations and Remuneration Committee and the Transformation and People Committee.**

## Leigh Griffin, Non-Executive Director



Dr Leigh Griffin was appointed in September 2018 for an initial two year term and he was given a further year in August 2020. He has spent 12 years as an NHS Chief Executive and has worked in consultancy practice, specialising in the provision of advice to health systems on transformation, integrated care and population health management.

Leigh has worked in commissioning and commissioning support units during his career and brings a wealth of NHS experience.

**Leigh is Chair of the Charity Committee, a member of the Performance and Finance Committee and Transformation and People Committee.**

## Ian Smith, Non-Executive Director



Ian Smith was appointed in April 2019 for a two year term of office when ended on 31 March 2021. Ian joined the Trust, having retired from his role as senior coroner for Stoke-on-Trent and North Staffordshire after 15 years in post. He had previously been the deputy coroner for Walsall from 1984 until appointed coroner in 2001.

Ian graduated with a law degree in 1974 followed by his professional qualifications at the College of Law in Chester, and then articles with Addison, Cooper, Jesson and Co, Walsall. After he became qualified as a solicitor, he became a partner at Addison, Cooper, Jesson & Co in 1980 and became the senior partner in the merged firm of Addison O'Hare. He had been both Secretary and President of Walsall Law Society.

**Ian was a member of the Quality Governance Committee.**

## Patricia Owen, Non-Executive Director



Pat Owen was appointed in August 2020 for a two year term of office, although Pat retired on 28 February 2021. Pat represented Keele University as Non-Executive Director on the Board.

Pat's career started in nursing and spanned over 35 years with her clinical career being centred on older people's nursing and health visiting. Pat was the Professor of Nursing and Head of School at Keele University which involved facilitating the education of nurses, midwives and health professionals at pre-registration; post registration and under and post-graduate levels.

**Pat was a member of the Quality Governance Committee and Transformation and People Committee.**

## Andrew Hassell, Non-Executive Director / Associate Non-Executive Director



Professor Andrew Hassell was appointed in April 2017 for a 2 year term and this was extended in December 2019 for a further year. When he retired as Head of the School of Medicine at Keele University in July 2020, he was given a 2 year term as Associate Non-Executive Director.

Andrew is a Consultant Rheumatologist at the Haywood Hospital and as well as his clinical activities, Andrew is chairman of the Haywood Foundation, a local charity committed to improving the lives of people with arthritis and related conditions.

**Andrew is a member of the Quality Governance Committee and a member of the Charity Committee.**

## Executive Directors

### Tracy Bullock, Chief Executive



Tracy Bullock joined us as Chief Executive in April 2019 having qualified as a nurse in 1987 at Bolton Hospitals NHS Trust and throughout her 18 years there, she progressed through a variety of roles of increasing responsibility. Tracy also held a seconded role undertaking investigations and reviews for the Commission for Health Improvement, the Health Care Commission and more latterly the Care Quality Commission, until 2019.

In 2006, Tracy joined Mid Cheshire Hospitals NHS Foundation Trust as Director of Nursing and Quality and was subsequently given the responsibilities of Chief Operating and then Deputy Chief Executive until becoming the Chief Executive in October 2010.

**Tracy is a member of the Performance and Finance Committee, the Transformation and People Committee, the Charity Committee and attends the Nomination and Remuneration Committee.**

### Paul Bytheway, Chief Operating Officer



Paul Bytheway joined us in 2019 from Portsmouth Hospitals NHS Trusts where he held the position of Chief Operating Officer. Paul came to the NHS after qualifying in Wolverhampton as a nurse in 1995. He moved to London and specialised in emergency department nursing before moving into general management in 2002.

Paul remains registered as a nurse and enjoys spending time on 'shadow shifts' with teams across the organisation. Paul has a wide variety of experience, built up from general management roles.

**Paul is a member of the Performance and Finance Committee, Quality Governance Committee, Transformation and People Committee and Charity Committee.**

## Mark Oldham, Chief Finance Officer



Mark Oldham joined us in June 2019 as an experienced Director of Finance having moved from Mid Cheshire Hospitals NHS Foundation Trust where he served 10 years as their Finance Director. Originally joining the NHS from Local Government in 1990 Mark has 30 over years' experience in both the acute and community sector in a wide range of finance roles.

Mark is a member of the Chartered Institute of Public Finance Accountants and has also undertaken further study with the NHS Leadership Academy in respect of Executive Director Development programme.

**Mark is a member of the Performance and Finance Committee, Transformation and People Committee, Charity Committee and an attendee of the Audit Committee.**

## John Oxtoby, Medical Director



John Oxtoby was appointed as Medical Director in April 2017, having originally joined us as a Consultant in radiology and nuclear medicine in 1996. His areas of clinical practice are nuclear medicine diagnosis, general radiology, vascular ultrasound and thyroid imaging. He has significant medical management duties and is also our Caldicott Guardian.

After qualifying in 1984, he undertook broad based medical training in the UK and New Zealand between 1984 and 1990.

**John is a member of the Quality Governance Committee and Charity Committee.**

## Michelle Rhodes, Chief Nurse



Michelle Rhodes joined us in September 2019 as our Chief Nurse. Michelle qualified as a Registered Nurse from Nottingham School of Nursing in 1989. Since that time she has worked in acute and community settings in Nottingham, Leicester, Staffordshire, Lincolnshire and now back to Staffordshire and Stoke.

Michelle worked as a Director of Commissioning and Executive Nurse in Nottingham City PCT, as Chief Operating Officer at Nottingham University Hospitals NHS Trust and as Interim Chief Operating Officer for Mid Staffordshire NHS Foundation Trust and Director of Operations and Director of Nursing & DIPC at Lincolnshire Hospitals.

**Michelle is a member of the Quality Governance Committee, Transformation and People Committee and the Charity Committee.**

## Ro Vaughan, Director of Human Resources



Ro Vaughan was appointed as Director of Human Resources in December 2014, having acted in the role for a period prior to that. She has a masters in Human Resources leadership and extensive experience of human resources gained in roles within the acute hospital setting and the strategic health authority.

Ro is a fellow of the Chartered Institute of Personnel and Development with over 20 years' experience of complex organisational change management, workforce planning and leadership and organisational development.

**Ro is a member of the Transformation and People Committee, Quality Governance Committee and Charity Committee. Ro is also an attendee of the Nominations and Remuneration Committee in an advisory capacity.**

## Other Directors

### Helen Ashley, Director of Strategy & Transformation / Deputy Chief Executive



Helen Ashley joined us in 2016 following nearly seven years as Chief Executive at neighbouring Burton Hospitals NHS Foundation Trust. Helen studied social policy and administration at the University Hospital of Nottingham before spending six years as Director of Finance/Deputy Chief Executive at Erewash Primary Care Trust. Helen left this role to become Director of Corporate Development at Burton Hospitals before becoming Chief Executive.

Having joined the NHS as a graduate regional finance trainee and qualifying as a Chartered Management Accountant, Helen has a strong finance background.

**Helen is a member of the Performance and Finance Committee, Transformation and People Committee and Charity Committee.**

### Mark Bostock, Director of Information Management and Technology (IM&T)



Mark Bostock joined us from Informatics Merseyside in 2013, an NHS shared service providing Information Management and Technology Services. Mark has worked in NHS IT for over 23 years.

Having worked as a Software Developer and IT Manager for the German engineering organisation Continental, Mark joined the NHS in the mid 1990's and has previously held Director of IM&T roles in Acute and Mental Health Trusts in Preston, Manchester and Liverpool.

### Lorraine Whitehead, Director Estates, Facilities & Private Finance Initiative



Lorraine was appointed as Director of Estates, Facilities and PFI in 2017, having worked in the Trust for many years, commencing as an administrative trainee in Trust Headquarters in 1987. Exposure to the executive agenda gave her an appetite to pursue senior management in the NHS as a career path. Lorraine subsequently worked in various managerial roles at all levels before becoming a Deputy Director.

Lorraine has a masters in Facilities Management and is an expert on PFI contract management, having provided HM Treasury and the Private Finance Unit with a case study on her experience and supporting the Department of Health with a review of national guidance on public/private sector contract management.

### Lisa Thomson, Director of Communications



Lisa Joined the Trust in August 2020, having over 15 years' experience at director level in the NHS. She has worked at a senior level in both highly regulated private and public sectors with experience in leading communications and fundraising in large acute trusts and national experience working with Lord Darzi on 'High Quality Care for All'.

Lisa's previous roles have included the leadership of a multimillion integrated healthcare business and the delivery of organisational and change communications programmes on new service developments including the community engagement to secure funding for a new hospital.

## Our Committees

Our governance structure provides the Board with a means of scrutiny and assurance on the key components of our business.

Our committees report directly into the Trust Board, each of which is chaired by a Non-Executive Director. Their effectiveness is reviewed on an annual basis, along with their terms of reference and membership.

Below provides an overview of our Committees:

### Audit Committee

The Audit Committee monitors and reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control across clinical and non-clinical activities.

### Performance and Finance Committee

The Performance and Finance Committee monitors and provides assurance to the Board on the performance and achievement of our financial and operational plans, including recovery.

### Quality Governance Committee

The Quality Governance Committee monitors and provides assurance to the Board on the performance and achievement of our Quality Strategy. This includes patient safety, patient experience and effectiveness.

### Nomination and Remuneration Committee

This is a non-executive only committee that determines the remuneration and terms of service arrangements for executive directors and very senior managers.

### Transformation and People Committee

The Transformation and People Committee monitors and provides assurance to the Board on the performance and achievement of People, Research and Innovation and our Transformation Strategies.

### Charity Committee

The Charity Committee ensures that charitable funds are managed in line with agreed policies on investment, fundraising and disbursement

## Declaration of Interests

Our Standards of Business Conduct Policy defines a conflict of interest as 'a set of circumstances by which a reasonable person would consider that an individual's ability to apply judgement or act, in the context of delivering, commissioning, or assuring taxpayer funded health and care services is, or could be, impaired or influenced by another interest they hold'.

A process of registration is in place which requires decision-making staff to declare any interests and is overseen by the Audit Committee. In accordance with national expectations, this information is made available publicly via our website [www.uhnm.nhs.uk](http://www.uhnm.nhs.uk).

Details of company directorships and other significant interests declared by members of the Board during 2020/21 were as follows:

Director	Interests Declared
Peter Akid	<ul style="list-style-type: none"> <li>Consultancy work. February 2021 – March 2022. 2 days per month.</li> </ul>
Helen Ashley	<ul style="list-style-type: none"> <li>Auditor of accounts for UK Youth Development League. 1 day in November 2020.</li> </ul>
Sonia Belfield	<ul style="list-style-type: none"> <li>Director of Tunstall Healthcare. Full time Employment - September 2018 to present.</li> </ul>
Mark Bostock	<ul style="list-style-type: none"> <li>Non-Executive Consultant for WiFi Spark. February 2021 - on-going. 1 day per month.</li> </ul>
Tracy Bullock	<ul style="list-style-type: none"> <li>Lay member of Keele University Council. November 2019 to November 2023. Maximum 10 days a year.</li> </ul>
Paul Bytheway	<ul style="list-style-type: none"> <li>Chair of St John's Ambulance. 1989 to present. Approximately 2 days per month.</li> <li>Trustee of St Mary's Hospice Charity. December 2020 to present. 25 days a year.</li> <li>The Dudley Group of Hospitals NHS Foundation Trust (Non-Executive Director).</li> </ul>
Gary Crowe	<ul style="list-style-type: none"> <li>The Human Tissue Authority (Lay Member).</li> <li>Stafford Railway Building Society (Non-Executive Director).</li> <li>Reaseheath College (Independent Governor).</li> </ul>
Leigh Griffin	<ul style="list-style-type: none"> <li>Trustee to the Brandon Trust. April 2021 onwards. 1 day/month.</li> <li>Bank employee of ArdenGEM Commissioning Support Unit. December 2020 onwards. 12 days/month.</li> <li>Owner of Leigh Griffin Consulting Limited. 2017 to date. 1 day/month.</li> <li>Founding Associate of MProve Consulting. April 2020 to date. 2 days/month.</li> </ul>
Andrew Hassell	<ul style="list-style-type: none"> <li>Consultant Rheumatologist - MPFT. On-going. 1 day per week.</li> <li>Professor of Medical Education at Keele University. On-going. No fixed time commitment.</li> <li>Chairman, Haywood Rheumatism Research and Development Foundation (Registered charity). On-going for 15+ years</li> </ul>
Katie Maddock	<ul style="list-style-type: none"> <li>Accreditation Team Member for General Pharmaceutical Council. From Sept 2012 to present. Approximately 8 days per year.</li> <li>Head of School of Pharmacy and Bioengineering at Keele University. From October 2008 to present.</li> </ul>
Mark Oldham	<ul style="list-style-type: none"> <li>Son has secured a job in the IT department as a Desktop Technician.</li> </ul>
Patricia Owen	<ul style="list-style-type: none"> <li>Professor and Head of the School of Nursing and Midwifery, Keele University. January 2013 to present. Full time commitment.</li> <li>Trustee - Institute for Health Promotion and Education (Honorary Treasurer). 2017 to present. 1 hour per week commitment.</li> </ul>
John Oxtoby	<ul style="list-style-type: none"> <li>Director of Dawn River PLC (Holiday Cottage Rental with no impact on UHNM). 2015 to present. Minimal time commitment.</li> </ul>
Michelle Rhodes	<ul style="list-style-type: none"> <li>Nothing to declare.</li> </ul>
Ian Smith	<ul style="list-style-type: none"> <li>Assistant Coroner for Staffordshire (South) - Unlimited time period.</li> <li>Course Director for Judicial College - Until 2022.</li> </ul>
Fiona Taylor	<ul style="list-style-type: none"> <li>Committee member: Accord Housing Association. From January 2020 onwards, 4 meetings per year.</li> <li>Open University: Associate lecturer. From 2009 onwards, Flexible time commitment.</li> <li>Healthwatch Birmingham &amp; Solihull: Non-Executive Director. From November 2019 onwards, 4 meetings per year.</li> </ul>
Lisa Thomson	<ul style="list-style-type: none"> <li>Nothing to declare.</li> </ul>
Ro Vaughan	<ul style="list-style-type: none"> <li>Nothing to declare.</li> </ul>
David Wakefield	<ul style="list-style-type: none"> <li>Non-Executive Director - Crown Commercial Service (Cabinet Office). 2015 - 2023. 2 days per month.</li> </ul>
Lorraine Whitehead	<ul style="list-style-type: none"> <li>Son has been appointed, following a competitive interview process, to an Apprentice Engineering role with Sodexo at UHNM. 2021 – 2025.</li> </ul>

## Data Security and Protection

For the period between April 2020 and March 2021 there has been 1 personal data related incidents which was reported to the Information Commissioner's Office (ICO). Further details regarding Data Security and Protection can be found within the Annual Governance Statement.

Our Trust Policy for Data Protection, Security and Confidentiality sets out a high level framework to preserve the security of information and information systems, including confidentiality, integrity and availability. The Trust Policy for Data Protection, Security and Confidentiality is just one of a number of policies in place to ensure the governance of information.

With the introduction of the General Data Protection Regulations (GDPR) and Data Protection Act (2018), our Data Protection Officer has led a detailed programme of work during 2020/21 to ensure the management of risk associated with data security, in accordance with our Risk Management Policy. Breaches in data security are classified as an adverse incident and are managed in accordance with our Incident Reporting Policy.

Incidents and risks associated with data security are overseen by the Executive Data, Security and Protection Group, which is chaired by the Medical Director/Caldicott Guardian. This group is also responsible for monitoring compliance with the Data Security and Protection Toolkit.

During 2020/21, our Internal Auditors have reviewed our assessment of compliance with the Data Security and Protection Toolkit and have concluded with significant assurance with minor improvement opportunities. The review was undertaken ahead of the initial planned submission date of our toolkit, of 31st March 2021, however, the impact of Covid-19 meant a deferral for submission to 30<sup>th</sup> June 2021. This has provided additional time for us to evidence our compliance with the toolkit standards. We have a programme of improvement in place to address the findings of our auditors and we will be working on implementation of this programme throughout 2021 ahead of our submission of the Data Security and Protection Toolkit.

## Executive Director's Statement

Each Executive Director knows of no information which would be relevant to the auditors, for the purposes of their audit report, and of which the auditors are not aware. In addition each Executive Director has taken all the steps they ought to have taken, to make themselves aware of any such information and to establish that the auditors are aware of it.

# Statement of Accountable Officer's Responsibilities

## Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust

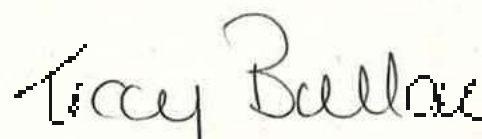
The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer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



Tracy Bullock, Chief Executive  
14<sup>th</sup> June 2021

## Statement of Director's 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, the directors are required to:

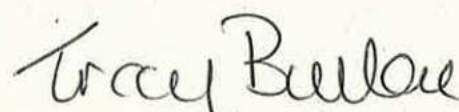
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- 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 they 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



Tracy Bullock, Chief Executive  
14<sup>th</sup> June 2021



Mark Oldham, Chief Finance Officer  
14<sup>th</sup> June 2021

# Annual Governance Statement 2020/21

## Scope of Responsibility

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

## The Purpose of the System of Internal Control

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

## Capacity to Handle Risk

### Leadership of the Risk Management Process

The Trust's Risk Management policy sets out the Chief Executive's overarching responsibility for risk management, and defines key leadership roles in respect of the risk management process, including:

- Chief Executive as Executive Lead for Risk Management
- Executive Directors, responsible for identification and management of risks which may threaten the achievement of our Strategic Objectives, via the Board Assurance Framework and corporate risk register
- Associate Director of Corporate Governance, responsible for development and review of our policy, provision of education, training and expertise, facilitation of risk reporting at a corporate level including the Board Assurance Framework and monitoring compliance with risk management processes
- Divisional Chairs, Associate Directors and Associate Chief Nurses (or equivalent) for leadership and implementation of risk management at a Divisional level

### Training and Equipping of Staff to Manage Risk

An ongoing programme of Risk Management Training is available to all staff. Whilst open to all, this is targeted at those with specific roles in risk assessment and management.

These learning sessions walk participants through the risk management process, providing clarity on expectations for risk assessment, escalation and oversight. The programme is specifically designed to equip staff with the knowledge needed to implement the Risk Management Policy. The training programme has been modified during 2020/21 and covers:

- Background and introduction, providing context to the establishment of the risk management improvement programme, including external, regulatory and Internal Audit findings
- The Risk Management Policy, including definitions of risk, risk management and the purpose of risk registers
- Step by step guide on the risk management process, encompassing identification of risk, describing risk, scoring risk and risk appetite
- Controls, assurances and action planning

The training materials also share examples of good practice, to facilitate learning. To monitor compliance with the Risk Management Policy, a programme of quarterly audits are in place. These are reported via the Performance Management Reviews and provide recommendations for improvement.

# The Risk and Control Framework

## Key Elements of the Risk Management Policy

The Risk Management Policy provides a clear framework for the management of risk, covering a number of key elements, including:

**Identification of risk** via a 'dual' approach:

- Proactive risk identification focusses on our objectives and involves the consideration of any risks which may threaten their achievement
- Reactive risk identification is undertaken in the event of an adverse incident or ongoing issue which requires consideration of a related future risk (i.e. recurrence of an adverse incident)

**Evaluation of risk** is undertaken through utilisation of a risk scoring matrix. We use a national tool, which we have modified in respect of data security. Risk is evaluated using the following components of scoring:

- Likelihood of the event occurring
- Impact or consequence of the event occurring

**Existing controls** are identified as part of the risk assessment process and gaps in control are identified as part of action planning. Controls are described as any measure designed to reduce likelihood and/or impact of risk; the implementation of which should inform rescoring.

**Existing assurances** are identified as part of the risk assessment process. Assurances can be internal or external and when being described, we set out the source of assurance, time period to which it relates and outcome of the assurance (either positive or negative). Sources of assurance are used to inform rescoring of risk.

The **Risk Appetite Statement** was updated and approved by the Board in 2020/21. This was included via the Board Assurance Framework throughout the year, and introduced to operational risk management in quarter 4. Risk Appetite levels were determined around the following key themes:

- Quality
- Regulation and Compliance
- Reputation
- Workforce
- Infrastructure
- Finance and Efficiency
- Partnerships / Collaboration
- Innovation

Levels of risk appetite are defined as follows:

LEVELS OF RISK APPETITE	
<b>Avoid</b> <b>Risk Score Tolerance 0</b>	We are not prepared to accept any risk.
<b>Minimal</b> <b>Risk Score Tolerance 1 – 3</b>	We accept that risks will not be able to be eliminated, therefore these should be reduced to the lowest levels, with ultra-safe delivery options, recognising that these may have little or no potential for reward/return.
<b>Cautious</b> <b>Risk Score Tolerance 4 – 6</b>	We are willing to accept some low levels of risk, while maintaining overall performance of safe delivery options, recognising that these may have restricted potential for reward/return.
<b>Open</b> <b>Risk Score Tolerance 8 – 12</b>	We are willing to accept all potential delivery options, recognising that these may provide an acceptable level of reward.
<b>Seek</b> <b>Risk Score Tolerance 15 - 25</b>	We are eager to be innovative, choosing options with the potential to offer higher business rewards.

The practical application of Risk Appetite and target risk scores will continue to be developed as our risk management processes continue to mature.

### Board Assurance Framework

The Board Assurance Framework provides the structure and process for the Board to focus on the management of key strategic risks which might compromise the achievement of our Strategic Objectives.

During 2020/21, our Board Assurance Framework has continued to be strengthened, building upon previous feedback from the Board, Committees and recommendations made by Internal Audit.

The Board Assurance Framework is considered by the Board and its Committees on a quarterly basis. Agendas are aligned to the Board Assurance Framework although it is recognised that there is a need to further strengthen these links.

Risk management and the Board Assurance Framework have again been reviewed by Internal Audit during 2020/21, who concluded their report with a 'significant assurance with minor improvements' rating. The review recognised the improvements made in respect of the Board Assurance Framework and highlighted a number of areas of good practice. Areas for development through our improvement programme will provide further focus on compliance with the Risk Management Policy at a divisional level, through audit, training and support.

### Quality Governance

Our corporate quality governance arrangements are led jointly by the Chief Nurse and Medical Director. Implementation and refinement of revised arrangements continued throughout 2020/21 and our quality governance structure is illustrated below:



### Assurance Map

The purpose of the Assurance Map is to identify the framework of key sources of internal and external reports which the Board and its Committees rely upon when seeking assurance against key organisational objectives and performance indicators.

The Assurance Map is aligned to the business cycles of the Board and its Committees, ensuring that a broad range of performance information and assurance is assessed on a regular basis.

A review of the Assurance Map is to be undertaken in 2021/22.

### How the Quality of Performance Information is Assessed

The quality of performance information is assessed through our internal validation processes, which vary dependent upon the indicator.

During 2020/21, we continued to utilise our 'STAR' Assurance Model. This model was developed in collaboration with Data Quality teams across a number of NHS Trusts, along with NHS Digital and the East and West Midlands Academic Health Science Networks.

The STAR model provides the following framework of 'assurance domains', with each domain having a series of questions which are used to attribute a score to the quality of data:

- **S** – Sign off and validation
- **T** – Timely and complete
- **A** – Audit and accuracy
- **R** – Robust systems and data capture



The STAR Assurance Indicator is then used to identify data which has been quality assured through this methodology.

Our Internal Auditors also review the quality of our data as part of their annual programme of work. During 2020/21, their Data Quality review focussed on Emergency Department data.

The Internal Auditors concluded with an assessment of Partial Assurance with Improvement Required; the review highlighted four recommendations which related to provision of clear guidance and training to data clerks over validation procedures for ambulance arrivals, improving documentation of start and end times within the patient information system (Medway) and providing greater visibility to the Executive Group and Board on how the Trust is addressing its underperformance against its target of 95% of patients to be discharged within four hours of arriving to A&E.

### **Risks to Data Security**

Our Trust Policy for Data Protection, Security and Confidentiality sets out a high level framework to preserve the security of information and information systems, including confidentiality, integrity and availability. The Trust Policy for Data Protection, Security and Confidentiality is just one of a number of policies in place to ensure the governance of information.

With the introduction of the General Data Protection Regulations (GDPR) and Data Protection Act (2018), our Data Protection Officer has led a detailed programme of work during 2020/21 to ensure the management of risk associated with data security, in accordance with our Risk Management Policy. Breaches in data security are classified as an adverse incident and are managed in accordance with our Incident Reporting Policy.

Incidents and risks associated with data security are overseen by the Executive Data, Security and Protection Group, which is chaired by the Medical Director/Caldicott Guardian. This group is also responsible for monitoring compliance with the Data Security and Protection Toolkit.

During 2020/21, our Internal Auditors have reviewed our assessment of compliance with the Data Security and Protection Toolkit and have concluded with significant assurance with minor improvement opportunities. The review was undertaken ahead of the initial planned submission date of our toolkit, of 31st March 2021, however, the impact of Covid-19 meant a deferral for submission to 30<sup>th</sup> June 2021. This has provided additional time for us to evidence our compliance with the toolkit standards. We have a programme of improvement in place to address the findings of our auditors and we will be working on implementation of this programme throughout 2021 ahead of our submission of the Data Security and Protection Toolkit.

### **Risks Related to the Uncertainty of Brexit**

A number of steps were taken throughout the year, during the transition period for the UK exit from the European Union between 31<sup>st</sup> January 2020 and 31<sup>st</sup> December 2020.

The Chief Operating Officer was identified as Senior Responsible Officer (SRO) for EU Exit preparation and was responsible for providing information returns to NHS England and Improvement, reporting emerging EU Exit related problems and ensuring that the organisation has updated business continuity plans to factor in all potential 'no deal' exit impacts.

Our Brexit Risk and Assurance Group continued to meet to consider any requirements associated with a 'no-deal' exit, including sighting the Board and its Committees on any risks and associated action required. Whilst some focus was diverted as a result of the Covid pandemic, there were no anticipated issues from

the exit which would impact the Trust, although daily reviews continued to be undertaken on potential impacting factors in order to identify any concerns or issues.

## Major Risks

Major risks are defined as those which could threaten the achievement of our Strategic Objectives (SO) and are managed in accordance with our Risk Management Policy. This includes clinical risk and these are overseen by the Trust Board and its Committees through the Board Assurance Framework. As stated earlier, the Board Assurance Framework is updated on a quarterly basis, capturing both in year and future risks.

Each risk assessment includes an action plan which identifies how the risk will be managed, through the implementation of additional controls focussed upon reducing likelihood and/or impact of risk. Risk management outcomes are assessed through the identification and review of key sources of assurance. Assurance descriptions feature three components; the source of assurance, the time period to which it relates and the outcome of assurance. Outcomes are also assessed through tracking any movement in risk level during the course of the year and this information is presented in the Board Assurance Framework.

Aligned to the Board Assurance Framework, the Board have determined the following to be the organisations major in year and future risks:



























## 2020/21 Risks

Summary of Risk	Key Risk Management / Mitigation	Monitoring
If demand for Covid related services continues to fluctuate / increase, then the planning and delivery of non Covid services, taking into account changing national expectations and guidance, resulting in increased potential for patient harm, longer waits, increased waiting lists impacting upon RTT, poor patient experience.	<ul style="list-style-type: none"> <li>Executive and Operational Leads for Restoration and Recovery agreed</li> <li>Restoration and Recovery Plans in place</li> <li>Workstreams / cells with nominated leads identified for Restoration and Recovery Programme</li> <li>NHSEI Guidance on priorities for Restoration and Recovery – ‘Trilogy’ of correspondence issued</li> </ul>	<ul style="list-style-type: none"> <li>Regular updates provided to the Board outlining the Restoration and Recovery Programme and actions taken</li> <li>Trust IPR includes trajectories so that performance can be monitored</li> </ul>
If our workforce becomes unsustainable, then premium pay costs will be incurred, staff sickness may increase and staff may become disengaged, all of which will impact on the delivery of services to our patients.	<ul style="list-style-type: none"> <li>People Strategy supported by a HR Delivery Plan, with improvement activities cascaded via Divisional People Plans.</li> <li>Consistent and cost effective approach to deploying medical workforce across the Trust and support improvements in medical productivity is in place</li> <li>Partnership working with the STP on Recruitment and Retention initiatives. System-wide processes are agreed for mutual aid and redeployment of staff to areas of need.</li> <li>Well-established Banks for Medical Staffing, Nursing, Nursing support and Admin and Clerical staff</li> <li>Ongoing actions being taken to increase skill mix</li> </ul>	<ul style="list-style-type: none"> <li>Monthly reports to Transformation and People Committee</li> <li>Agency costs reported to Performance and Finance Committee</li> <li>The Empactis Absence Management System supports the delivery of a consistent approach to managing the key processes associated with health, absence and engagement.</li> </ul>

A Board Seminar was held in March 2021 to consider the strategic risks for inclusion within the Board Assurance Framework for 2021/22. As a result of those discussions, the following strategic risks were identified:

Risk Title	Risk Description	Scrutiny Committee
Delivering Positive Patient Outcomes	If there is a deterioration in the delivery of patient safety and quality of patient care, then we may not be able to provide harm free care including the inability to reduce the number of nosocomial infections, pressure ulcers, patient falls, venous thromboembolism (VTE), resulting in avoidable patient harm, higher than expected mortality and poor patient experience and satisfaction	Quality Governance Committee
Leadership & Culture and Delivery of Trust Values and Aspirations	If we are unable to ensure the leadership culture reflects our values and aspirations, then a negative cultural environment could be established, resulting in an adverse impact on patient care, staff disengagement and ineffective performance	Transformation and People Committee
Sustainable Workforce	If we are unable to sustain our workforce at the required levels, taking into account the impact of Covid on staff resilience and retention, then we may not have staff with the right skills in the right place at the right time, resulting in adverse impact on patient outcomes, increase in premium costs, staff disengagement and inability to take forward continuous improvement and innovation	Transformation and People Committee
System Working – Vertical	If we are unable to effectively collaborate with key stakeholders as part of the Integrated Care System, then we may not be able to provide health services which meet the needs of the system population, resulting in fragmented, poor quality, inefficient and ineffective services	Transformation and People Committee
System Working – Horizontal	If we do not effectively collaborate with other providers and commissioners (both within & outwith the ICS) then some specialist services may become unsustainable and the opportunity to achieve economies of scale within clinical support functions could be lost, resulting in unsustainable, fragmented, poor quality, inefficient and ineffective services that are not VFM.	Transformation and People Committee
Delivering Responsive Patient Care	If we are unable to create sufficient capacity to deal with the increased accumulating backlog of patients as a result of Covid, then we may be unable to treat patients in a timely manner, resulting in potential patient harm and inability to recover services following the pandemic	Performance and Finance Committee
Delivery of IM&T Infrastructure	If our infrastructure and clinical systems are not sufficient or adequately protected, then this could compromise connectivity and access to key critical patient information systems, resulting in compromised patient care (including patient delays, cancellation of services), reputational damage, and potential fines	Performance and Finance Committee
Infrastructure to Deliver Compliant Estate Services	If we are unable to sufficiently invest and develop our retained clinical and non-clinical estate, then we may be unable to provide services in a fit for purpose healthcare environment, resulting in the inability to provide high quality clinical services in a safe, secure and compliant environment	Performance and Finance Committee
Financial Performance	If we, or system partners, are unable to operate within available resources, then the system financial plan for 2021/22 may not be delivered, resulting in increasing Cost Improvement Programmes, and a lack of ability to invest in the development of future services	Performance and Finance Committee

## Summary of Board Assurance Framework at Quarter 4 2020/21

Ref / Page	Summary Risk Title	Strategic Objectives Under Threat	3 Lines of Defence					Change in Risk Score				
			1 <sup>st</sup> Line of Defence		2 <sup>nd</sup> Line of Defence		3 <sup>rd</sup> Line of Defence	Q1	Q2	Q3	Q4	Change
			Controls	Assurances	Controls	Assurances						
BAF 1	Harm Free Care	 	✓	✓	✓	✓	✓	High 9	High 9	High 12	High 9	↓
BAF 2	Leadership / Culture and Delivery of Trust Values and Aspirations	 	✓	✓	✓	✓	✓	High 12	High 12	Ext 20	High 12	↓
BAF 3	Sustainable Workforce	  	✓	✓	✓	✓	✓	High 12	High 12	Ext 20	High 12	↓
BAF 4	System Working – Vertical	  	✓	✓	✓	✓	✓	High 12	High 9	High 9	High 9	→
BAF 5	System Working – Horizontal	  	✓	✓	✓	✓	✗	High 12	High 12	High 12	High 9	↓
BAF 6	Restoration and Recovery	    	✓	✓	✓	✓	✓	Ext 20	Ext 25	Ext 25	Ext 25	→
BAF 7	Infrastructure to Deliver Compliant Services – IM&T	  	✓	✓	✓	✓	✓	Ext 16	Ext 16	Ext 16	Ext 16	→
BAF 8	Infrastructure to Deliver Compliant Services - Estate	  	✓	✓	✓	✓	✓	Ext 16	Ext 16	Ext 16	Ext 16	→
BAF 9	Financial Sustainability	 	✓	✓	✓	✓	✓	High 9	High 12	Mod 6	Mod 6	→

## **Assurance against CQC Registration Requirements**

The Care Excellence Framework (CEF) process involves a self-assessment at ward/department level using a tool which is based upon Care Quality Commission requirements. The outcome of the self-assessment is validated by the visiting team as part of a Care Excellence Visit and this forms part of the overall rating for the ward/department.

The CEF is used to inform the way we measure progress against our CQC Action Plan and provides the ability to triangulate information and assurance from ward to board. Following our inspection in 2019/20 by the Care Quality Commission, we continue to be rated as 'Requires Improvement' and one 'Section 31' notice remains imposed upon us. We have made significant progress against the recommendations made as a result of their findings.

In addition, our Clinical Audit team have also undertaken a number of audits as part of the 2002/21 programme as a means of assessing compliance and providing assurance against a number of specific CQC requirements. These have been shared with the Quality and Safety Oversight Group and the Quality Governance Committee and action plans are overseen by the Clinical Audit Department.

## **NHS Improvement's Well Led Framework**

### **Care Excellence Framework**

Due to the impact of the Covid pandemic, CEF visits were postponed during 2020/21, although 12 visits were undertaken in September and October 2020 (in between wave 1 and wave 2 of the pandemic). In respect of the well-led element of the visits, of the 12 visits undertaken, 8 were rated as 'gold', 3 were rated as silver and 1 as bronze.

### **Corporate Governance/NHS Provider Licence**

The Board is committed to achieving high standards of integrity, ethics and professionalism across all areas of activity. Fundamental to this is our commitment to support the highest standards of corporate governance within the statutory framework; underpinned by a range of key corporate governance policies which are reviewed and updated as required. These policies include:

- Standards of Business Conduct
- Counter Fraud and Anti-Bribery and Corruption
- Standing Orders, Standing Financial Instructions and Scheme of Delegation

The Board subscribes to the NHS Code of Conduct and Code of Accountability and has adopted the Nolan Principles, as set out within our Rules of Procedure (Corporate Governance Framework).

NHS Trusts are subject to oversight by NHS Improvement, which uses the Single Oversight Framework for this purpose. The Single Oversight Framework bases its oversight on the NHS provider licence. During 2020/21, the Trust remained in financial special measures, although we were notified of the removal in quarter 3.

We are legally obliged to meet certain licence conditions and NHS Improvement has directed that NHS Trusts must self-certify compliance with licence conditions 'G6 and FT4'. The Board is required to undertake a self-assessment against these conditions on an annual basis, having regard to guidance issued by NHS Improvement and where necessary identify actions to mitigate risks to compliance.

An assessment against these conditions was undertaken by the Board and it was determined that compliance could be confirmed against requirements relating to:

- Principles, systems and standards of good corporate governance being in place, in addition to acting upon national guidance in relation to corporate governance
- Effective Board and Committee structures being in place with clear reporting lines between the Board, Committees and Executive Team
- In relation to quality of care, sufficient capability at Board level to provide effective organisational leadership; effective planning and decision-making processes; accurate, comprehensive, timely and up

to date information being provided to the Board; active engagement on quality of care with patients, staff and other stakeholders; clear accountability for quality of care

- Responsibilities, capacity and capability of Board members
- Systems and processes in place to ensure compliance with the duty to operate efficiently, economically and effectively; timely and effective scrutiny and oversight by the Board of operations; compliance with health care standards; effective financial decision-making, management and control; obtaining and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making; identifying and managing material risks to compliance with the conditions of the Licence; generating and monitoring delivery of business plans and ensuring compliance with all applicable legal requirements.

However, compliance could not be confirmed against the aspect related to effectively implementing systems and processes to ensure compliance with the conditions of the licence, any requirements from the NHS Acts and NHS Constitution, as described further below:

- Whilst the Trust's financial position improved during 2020/21, there remained an underlying deficit within the system and there continued to be challenges in ensuring the achievement of NHS constitutional targets for Cancer, 4 hour wait and the increasing volume of patients on the Trust's waiting list as a result of Covid.
- The Care Quality Commission issued two 'Section 31' notices following their 2019 inspection; one of these relating to Mental Health care provision and was lifted although the second one in relation to Emergency Department 15 minute triage time remained in place at the time of the declaration

### **Equality and Diversity**

Our Equality and Diversity policy aims to promote equality and diversity and value the benefits this brings. It is our aim to ensure that all staff feel valued and have a fair and equitable quality of working life. Equal opportunities and the embracing of diversity are central to everything we do as an organisation to create a workplace in which people feel valued, treating people fairly and with dignity and respect at all stages of the employment process from recruitment to termination of employment; access to learning and development and career progression.

Our policy ensures that Equality Impact Assessments are integrated into core Trust business, including on services, organisation change and on appropriate policies/procedures. These are monitored by our Human Resources Directorate.

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

### **Incident Reporting**

Our policy for Reporting and Management of Incidents aims to provide, so far as is reasonable practicable, an environment which is free from risks to health and safety. Our staff are required to behave in a manner which will not pose a risk to their or anyone else's health and safety.

Our policy is designed to openly encourage that all adverse incidents and near miss events are promptly reported, accurately documented, properly investigated and any learning shared and acted upon. Serious Incidents where there are opportunities for Trust wide learning are reviewed by our Risk Management Panel which is chaired by our Deputy Medical Director. Analysis and trends associated with adverse incident reporting is monitored at various levels within our quality governance framework, including a high level analysis to the Trust Board.

Whilst work has been undertaken to make further improvements to our incident reporting processes and investigation during 2020/21, this continues to be a key area of focus.

### **Developing Workforce Safeguards**

NHSIE published 'Developing Workforce Safeguards' in October 2018, with recommendations to support Trusts in making informed, safe and sustainable workforce decisions. Through implementation of these recommendations, the aim is to provide assurance to the Board that workforce decisions promote safety and so comply with Care Quality Commission standards.

The gap analysis was initially undertaken in January 2019, reviewed towards the end of 2019/20 and again in February 2020. This included an assessment of compliance against a range of requirements, summarised below:

Requirement	Assessment
Safe Staffing	Partially Compliant
Workforce Planning	Partially Compliant
Deployment of Staff	Partially Compliant
Evidence Based Tools and Data	Partially Compliant
Professional Judgement	Partially Compliant
Board Reporting / Assurance	Compliant

Where the analysis concluded with an assessment of 'partially compliant', it identified where compliance was planned to be strengthened through improvement of key systems and processes. However, the planned improvements were paused due to Covid-19.

A particular area for focused improvement was in relation to systems and processes for Allied Health Professionals, which whilst they exist, require further development. A revised Quality Impact Assessment process has been introduced and now need to embed this into routine business.

The Trust is not fully compliant with the registration requirements of the Care Quality Commission. This is as a result of one Section 31 condition continuing to be in place following the 2019 inspection. Significant work has been undertaken to address the concern raised.

### Conflicts of Interest

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (i.e. staff at Band 8a and above) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

### NHS Pension Scheme

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

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

### Sustainable Development

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

### Covid-19

At the beginning of 2020/21 we were impacted upon by the Covid-19 pandemic which saw us, along with the rest of the county, move into a major incident. In response to this we made a number of changes to our governance and risk management arrangements in order to enable our Executive Team to focus upon the many challenges which the pandemic brought about whilst ensuring that we maintain effective oversight and scrutiny. These changes included:

- Development and approval of Terms of Reference for the Board and its Committees, allowing for meetings to be held virtually, non-urgent items of business being deferred where necessary and where appropriate, some items for approval being conducted via email. A full record of any decisions taken in this way was captured via a formal record.
- Decisions taken by the Executive Team were captured at regular 'Huddle' meetings with those of significance being formally reported to the Board via the Chief Executive's report.
- Establishment of an Incident Control Centre as the single point of contact at a corporate level for escalation of risks / issues internally and externally.
- A refresh and implementation of business continuity plans aligned to an overarching Covid Pandemic Plan.
- Closer working with system partners and beyond in order that additional capacity could be made available within the community, if required.
- Regular briefings to Non-Executive members of the Board to enable them to remain up to date and to provide challenge as necessary. These were complimented by a weekly virtual meeting with the Chief Executive.
- Enhanced 'SitRep' reporting to our regulators, as required.
- An adaptation of our control environment which saw the establishment of daily Executive Huddle, Tactical, Workforce and Clinical meetings taking place which fed through to 'Gold Command' for consideration of any matters requiring escalation or approval.
- At an operational level, each Division established their own incident management 'cell', providing day to day response and mitigation of operational risk. Each Division is represented on the Tactical Group where any escalations / mitigations are raised.
- At a Strategic level, the Chief Executive led a bi-weekly management team meeting, with Executives in attendance, where escalations and mitigations raised by the Tactical group were presented. This was used as a conduit to the Chief Executive meetings across Trusts, NHSEI and Public Health England.

These arrangements remained in place throughout the year, for wave 1 and wave 2, although a move towards 'business as usual' took place during quarter 2.

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

The Trust ended the 2020/21 financial year with a surplus of £7.1m against a forecast to breakeven. As a result of the changed funding arrangements there were no specific cost improvement targets to meet in 2020/21. In 2020/21 a draft financial plan was prepared, built on the previous year; following the Trust being placed in Financial Special Measures in March 2017 due to a worsening financial position at that time, post integration with Mid Staffordshire NHS Foundation Trust in 2014. The 2020/21 draft financial plan was to breakeven for the year and continued to demonstrate that substantial progress has been made to stabilise our position and to develop a new culture of financial rigour and operational efficiency, through strengthened financial controls. The financial planning process was however suspended on a national level for 2020/21 and the Trust did not work to this plan. The temporary funding arrangements ensured that the Trust (like all Trusts) delivered a breakeven position for the first half of the year. For the second half of the year the Trust had a plan for a £7.2m deficit; due to the treatment of the TSA funding and improvements in the run rate the Trust was able to deliver an actual surplus of £7.1m. It is important that we still recognise that we have further work to do with an underlying deficit of £75.2m as we enter 2021/22. During the 2020/21 year there was a pause in the support the Trust from KPMG in developing and supporting the delivery of the recovery plan, however it is planned this will re-start from 2021/22.

Throughout the course of the year, delivery of our financial plan has been subject to scrutiny and oversight each month via the Performance and Finance Committee and the Board and externally by our regulators, through regular Progress Review Meetings and attendance at key Committees.

We have a range of key financial policies in place, which are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. These remained in place throughout the year and the Covid 19 pandemic.

Our services are organised into 6 Divisions and are managed through a devolved structure, which is governed by our Scheme of Delegation, defining all key roles and responsibilities. Each Division has dedicated financial and human resources input to support delivery of their plans.

We maintain a strong focus on performance management, as a means by which clinical Divisions are held to account for the delivery of financial and other performance targets. Performance is monitored through our monthly performance management review process, which is chaired by an Executive Director.

Our approach to cost improvement is project based, overseen by our Programme Management Office. In order to ensure delivery of our Financial Recovery Plan, our governance structure includes the Financial Recovery Programme Board at an executive level with board level oversight and scrutiny via the Finance and Performance Committee. Whilst we continued to embed our governance and oversight arrangements in respect of savings delivery during 2019/20, the savings targets were suspended nationally during 2020/21 in recognition of the changed funding arrangements put in place to deliver the required response to the Covid 19 pandemic.

During 2020/21, our Internal Auditors have reviewed our key financial systems and controls in relation to expenditure and concluded with 'significant assurance with minor improvements required'. A number of recommendations were made, which will remain a focus throughout 2021/22.

Our external auditors give an expert and independent opinion on whether our financial statements are a true and fair view of the Trust's financial position at the end of the financial year. They also provide an expert and independent opinion on whether the financial statements comply with relevant laws. In carrying out their audit, they must have regard to aspects of corporate governance and securing economy, efficiency and effective use of resources.

Although a surplus has been achieved in the last two years, due to previous years deficits we breached the requirement under section 30 of the Local Audit and Accountability Act 2014 to achieve break-even taking one year against another over a three year rolling period. As such, our External Auditors made a referral to the Secretary of State for Health in May 2017 which remains in place in 2020/21. This referral was made under Section 30 of the 2014 Act.

We recognise that this position is set within the context of a wider sustainability gap across the local health and social care economy. To address this challenge, work remains on-going with our system partners, via the Sustainability and Transformation Partnership.

## Information Governance

Data, Security and Protection breaches are reported via our incident management system. The Data, Security and Protection Team continue to monitor and review incidents to ensure these are investigated and where deemed serious, a root cause analysis is undertaken.

For the period between April 2020 to March 2021, there was 1 serious incident which was notified to the Information Commissioners Office. This was in relation to an investigation whereby an audit file containing a witness statement discussion was inadvertently sent to another member of staff being investigated, their manager and their Trade Union representative. The individual notified Human Resources and confirmation was received that the file had been deleted without being opened.

The Human Resources Team took immediate action to notify the parties concerned and apologised for the error. A Root Cause Analysis was undertaken and a number of recommendations made. This was presented to the Executive Data Security and Protection Group. Actions taken following the investigation were as follows:

- Development of a standard operating procedure for the processing of audio data following a review of their internal process
- A 'check' process prior to release of an audio file
- Audio files sent via secure portal
- Shared learning across the HR team

# Data Quality and Governance

The Department of Health and Social Care has issued guidance to NHS Trusts on the form and content of annual Quality Accounts.

The Chief Nurse is responsible for the preparation of our Annual Quality Account. This is developed in consultation with internal and external stakeholders and is reviewed in draft form by the Quality and Safety Oversight Group and the Quality Governance Committee who have a key role in scrutinising whether it represents a balanced view. All performance data is subject to a series of controls to ensure the quality and accuracy of information, which include pre-validation, data quality review and executive sign off.

The Audit Committee's role is to consider the rigour and processes for identifying and defining the services to be reported and the improvements planned, as well as the processes for compiling and interpreting the data used as indicators of performance. The Quality Account is subject to external audit and the findings are reported to the Audit Committee. The Audit Committee then reports to the Trust Board on the robustness of the processes behind the Quality Accounts. However, there have been changes to the requirements for the Quality Account for 2020/21 and as a result the requirement for external audit has been excluded.

## Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### 2020/21 Internal Audit Programme

KPMG LLP were appointed as our Internal Auditors, as of 29<sup>th</sup> July 2016. At the beginning of 2020, they engaged members of the Executive Team in the scoping of areas to be reviewed as part of the 2020/21 Internal Audit Plan. The plan was presented to the Audit Committee at the start of the year and was based upon a risk analysis of our operations, aligned to our Board Assurance Framework. The plan covered an assessment of controls across a range of strategic, clinical, operational and financial areas and was designed to add value and deliver assurance required by the Audit Committee in the production of the Head of Internal Audit opinion. Upon completion, the plan was reported to the Audit Committee with the following findings:

Assignment	Conclusion		
Charitable Funds Governance	Significant Assurance with Minor Improvement Opportunities		
Sickness Absence Management	Significant Assurance with Minor Improvement Opportunities		
Private Patients	Partial Assurance with Improvements Required		
Incident Reporting	Significant Assurance with Minor Improvement Opportunities		
Governance of Executive Functions	Significant Assurance with Minor Improvement Opportunities		
Quality Governance	Significant Assurance with Minor Improvement Opportunities		
Key Financial Controls	Significant Assurance with Minor Improvement Opportunities		
Patient Discharge	Partial Assurance with Improvements Required		
BAF and Risk Management	Significant Assurance with Minor Improvement Opportunities		
Network Security	Significant Assurance with Minor Improvement Opportunities		
Data and Security Protection Toolkit	Significant Assurance with Minor Improvement Opportunities		

Assignment	Conclusion		
Infection, Prevention and Control: BAF	Significant Assurance with Minor Improvement Opportunities		
Patient Property	Partial Assurance with Improvements Required		
IT Controls	Significant Assurance with Minor Improvement Opportunities		
Data Quality	Partial Assurance with Improvements Required		
Delegation Review	Findings available July 2021		

#### Head of Internal Audit Opinion

The Head of Internal Audit (HoIA) is required to provide an annual opinion in accordance with the Public Sector Internal Audit Standards based upon and limited to the work performed, on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes (i.e. the system of internal control). This is achieved through a risk based programme of work, agreed with management and approved by the Audit Committee, which can provide assurance, subject to the inherent limitations described below.

The basis for forming the opinion is as follows:

- An assessment of the design and operation of the underpinning aspects of the risk and assurance framework and supporting processes;
- An assessment of the range of individual assurances arising from risk based internal audit assignments that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and;
- An assessment of the process by which the organisation has assurance over regulatory requirements with regulators.

The overall opinion for the period 1 April 2020 to 31 March 2021 is as follows:

**'Significant assurance with minor improvements required'.** This is informed by positive outcomes from the majority of reviews during 2020/21, particularly in core areas.

## Conclusion

As Accountable Officer, my review concludes that there have been some key achievements during the year 2020/21 and I have been assured by the positive conclusions reached by our internal Auditors in respect of the following reviews:

- Charitable Funds Governance
- Sickness Absence Management
- Incident Reporting
- Governance of Executive Groups
- Quality Governance
- Financial Controls
- RAF and Risk Management
- Network Security
- Data and Security Protection Toolkit
- Infection Prevention and Control: BAF

As our Head of Internal Audit Opinion confirms, we have made considerable improvements in the effectiveness of our framework of governance, risk management and control which is demonstrated through our improved assurance rating when compared to our previous ratings.

I am therefore assured that there is a generally sound system of internal control and in conclusion, there are no significant internal control issues which have been identified.

  
Tracy Bullock, Chief Executive  
14<sup>th</sup> June 2021

# Modern Slavery Act Declaration

Section 54 of the Modern Slavery Act 2015 requires our organisation to prepare a 'slavery and human trafficking statement' for each financial year, setting out the steps that have been taken during the year to ensure that slavery and human trafficking is not taking place in its supply chains or its own business.



## Anti-Slavery Statement

This statement, made pursuant to section 54(1) of the Modern Slavery Act 2015, sets out the approach taken by University Hospitals of North Midlands NHS Trust to understand all potential modern slavery risks related to its business, and the actions undertaken to mitigate any such risks during the financial year ended 31 March 2021.

Our Board is committed to delivering high standards of corporate governance and a key element of this is managing the Trust in a socially responsible way. We are committed to preventing slavery and human trafficking in our corporate activities and through our supply chains and we expect the same high standards from those parties with whom we engage. During the course of the year, we have emphasised our commitment through a number of mechanisms:

### Recruitment and Selection

Our policies and procedures in relation to recruitment and selection of staff ensure that we comply with all employment, equalities and human rights legislation. This includes the prevention of slavery and human trafficking.

### Safeguarding Arrangements

Modern Slavery was identified as a separate category of abuse in the Care Act 2014 and as such sits within our safeguarding agenda for adults who have care and support needs. Our policy and procedures in relation to safeguarding refer to Modern Slavery including Human Trafficking and identifies possible indicators for staff to lookout for and sets out the procedure of how to raise safeguarding concerns.

We deliver mandatory safeguarding awareness training to all staff which includes identifying Modern Slavery as a category of abuse. In addition to this we provide an enhanced level of safeguarding training to all of our qualified clinical staff which discusses in more depth the categories of abuse including Modern Slavery.

### Supply Chain

Our Supply Chain is made up of a number of large multi-national companies, Small to Medium Enterprises (SME's) and small local suppliers who make up a total of 3926 live suppliers to the Trust at this current time. The location of supplier premises and manufacture locations are spread globally but the vast majority are situated in the European Union, where it is estimated that several hundred thousand people work for the aforementioned suppliers although not all these people work on UHNM related goods and services.

We have ensured that Anti-Slavery related provision is contained in both our Standard Terms and Conditions of Purchase which are issued with every Purchase Order and all tender documentation issued by the Trust.

Due to the nature of our business and our approach to governance and risk management, we assess that there is low risk of slavery and human trafficking in our business and supply chains. However we will continue to periodically review the effectiveness of our relevant policies, procedures and associated training to ensure that the risk remains low.

We do not have key performance indicators in relation to slavery or human trafficking as any instance would be expected to be a breach of law, our supplier standards and/or our local policies and therefore acted upon accordingly.

# Remuneration and Staff Report

## Remuneration Report

Remuneration and terms of service for Executive Directors (i.e. Board voting and non-voting members), the Chief Executive and posts assigned to the 'Very Senior Manager framework' are agreed, and kept under review by the Trust Nominations and Remuneration Committee.

This Committee monitors and evaluates the annual performance of individual directors, with the advice of the Chief Executive.



The annual work programme for the Committee includes evidence based review and benchmarking of Executive Director salaries in comparison to national lower and upper quartile benchmarks. This exercise is undertaken in order to maintain awareness of arrangements in other organisations, which may be of relevance and any changes to Executive Director salaries are considered by the Committee on receipt of this information.

Where there is a vacancy in a permanently established post, it is usual practice to make a permanent appointment. All senior managers have a notice period of three months and Executive Directors have a notice period of six months. Non-Executive Directors are appointed with NHS Improvement on fixed-term contracts, which may be renewed. Compensation for early termination of Executive Directors provides payment in lieu of notice, except in cases of summary/immediate dismissal. Any termination payments which fall outside the standard provisions of the Contract of Employment must be approved internally by the Committee. Severance packages which fall outside the standard provisions of the Contract of Employment must be calculated using standard guidelines and any proposal to make payments outside of the current guidelines are subject to the approval of HM Treasury, via NHS Improvement.

## Salaries and Allowances

The table below sets out the amounts awarded to all Board members and where relevant, the link between performance and remuneration. There have been no performance pay or bonuses paid to any of the Directors in either financial year. The remuneration information disclosed in the tables below have been subject to audit.

Board Member	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	£	£000	£000	£000	£000	£000	£000
<b>Current Voting Board Members:</b>								
Tracy Bullock * <b>Chief Executive</b>	220-225	-	-	220-225	215-220	-	-	215-220
Paul Bytheway <b>Chief Operating Officer</b>	180-185	-	-	180-185	120-125	-	57.5-60	180-185
Mark Oldham <b>Chief Finance Officer</b>	175-180	-	237.5- 240	415-420	145-150	-	90-92.5	235-240
John Oxtoby <b>Medical Director</b>	195-200	-	45-47.5	240-245	225-230	-	-	225-230
Michelle Rhodes <b>Chief Nurse</b>	140-145	-	225- 227.5	365-370	70-75	-	-	70-75

Board Member	2020/21				2019/20			
	Salary (bands of £5,000)	Expense Payments (taxable) total to nearest £100 £	All pension related benefits (bands of £2,500) £000	Total: (bands of £5,000) £000	Salary (bands of £5,000) £000	Expense Payments (taxable) total to nearest £100 £000	All pension related benefits (bands of £2,500) £000	Total: (bands of £5,000) £000
	£000	£	£000	£000	£000	£000	£000	£000
Ro Vaughan <b>Director of HR</b>	130-135	-	-	130-135	130-135	-	17.5-20	150-155
David Wakefield <b>Chairman</b>	60-65	0.8	-	60-65	60-65	-	-	60-65
Peter Akid <b>Non-Executive Director</b>	10-15	0.6	-	10-15	5-10	1.9	-	10-15
Sonia Belfield <b>Non-Executive Director</b>	10-15	-	-	10-15	5-10	-	-	5-10
Gary Crowe <b>Non-Executive Director</b>	10-15	0.7	-	10-15	5-10	1.6	-	10-15
Leigh Griffin <b>Non-Executive Director</b>	10-15	0.1	-	10-15	5-10	0.4	-	5-10
Patricia Owen <b>Non-Executive Director</b>	5-10	-	-	5-10	-	-	-	-
Ian Smith <b>Non-Executive Director</b>	10-15	0.3	-	10-15	5-10	0.4	-	5-10
Katie Maddock <b>Non-Executive Director</b>	0-5	-	-	0-5	-	-	-	-
<b>Previous Voting Board Members:-</b>								
Andrew Hassell <b>Non-Executive Director</b>	10-15	0.1	-	10-15	5-10	-	-	5-10
Elizabeth Rix <b>Chief Nurse</b>	-	-	-	-	15-20	-	-	15-20
Trish Rowson <b>Acting Chief Nurse</b>	-	-	-	-	50-55	-	-	50-55

- There has been no Performance pay or bonuses paid to any of the Directors in either financial year.
- The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being that being a member of the pension scheme could provide.
- All taxable expenses paid during the year were in relation to home to work mileage claims.
- The total cost paid for the two months remuneration as a Director in 2019/20 was £25-30k however these figures also include the employers contributions, overheads and non-taxable expenses
- The information disclosed above has been subject to audit.

\*Tracy Bullock left the NHS Pension scheme on 31/03/19 and so there are no pension benefits to report for the financial years 19/20 or 20/21. The 19/20 comparative figures have been altered from last year's annual report to reflect this, as the figures supplied by NHS Pensions did not show that Mrs Bullock had left the scheme. It has been assumed that the closing balances were actually nil.

## Pension Benefits

Board Member	2020/21							
	Real increase / (decrease) in pension at age 60 (bands of £2,500)	Real increase / (decrease) in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 as at 31 March 2021 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value as at 1 April 2019	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value as at 31 March 2020	Employers contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Tracy Bullock	-	-	-	-	-	-	-	-
Paul Bytheway	-	-	-	-	747	-	-	-
John Oxtoby	0-2.5	5-7.5	60-65	190-195	1,487	-	-	-
Mark Oldham	10-12.5	25-27.5	75-80	185-190	1,289	232	1,569	-
Michelle Rhodes	10-12.5	30-32.5	45-50	145-150	810	233	1,077	-
Rosemary Vaughan	0-2.5	-	60-65	180-185	1411	17	1476	-

- As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.
- The pensions information disclosed in the table above has been subject to audit.

## Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV reflects the increase in CETV effectively funded by the employer. This calculation does not take account of any increase due to inflation or contributions paid by the employee.

## Pay Multiples

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 the Trust in the financial year 2020/21 was £220,000 to £225,000 (2019/20 was £225,000 to £230,000).

This is based on a full time equivalent, annualised calculation. This was 7 times (2019/20: 9 times) than the median remuneration of the workforce, which was £31,399 (2019/20 £26,520).

In 2020/21 13 employees (2019/20 3 employees) received remuneration in excess of the highest paid director. The Range of staff remuneration during 2020/21 was £5,000 - £10,000 to £335,000 - £340,000 (2019/20 £5,000-£10,000 to £315,000- £320,000).

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

# Exit Packages for Staff Leaving in 2020/21

Exit Package Cost Band (including any special payment element)	2020/21			2019/20		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	0	0	0	10	0	10
£10,001-£25,000	1	0	1	15	0	15
£25,001-£50,000	0	0	0	8	0	8
£50,001-£100,000	0	0	0	3	0	3
£100,001-£150,000	0	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
<b>Totals</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>36</b>	<b>0</b>	<b>36</b>
<b>Total resource cost (£'000)</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>785</b>	<b>0</b>	<b>785</b>

## Analysis of Other Departures

Type of Other Departures	Agreements Number	Total Value of Agreements £000s
Voluntary redundancies including early retirement contractual costs	0	-
Mutually agreed resignations (MARS) contractual costs	0	-
Early retirements in the efficiency of the service contractual costs	0	-
Contractual payments in lieu of notice*	0	-
Exit payments following Employment Tribunals or court orders	0	-
Non-contractual payments requiring HMT approval**	0	-
<b>Total</b>	<b>0</b>	<b>-</b>

- Redundancy and other departure costs have been paid in accordance with standard NHS terms and conditions
- This disclosure reports the number and value of exit packages agreed with staff during the year.
- The remuneration information disclosed in the tables above (Exit Packages) have been subject to audit.

## Consultancy

Expenditure on consultancy services for the year 2020/21 was £0.8m, compared to £3.4m in 2019/20.

## Off Payroll Engagements

As part of the Treasury's Annual Reporting Guidance 2012-13, Government Departments are required to report information relating to off-payroll engagements. Therefore NHS bodies are required to include information on any such engagements allowing for consolidation.

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

Off Payroll Engagement Longer than 6 Months	Number	Any existing off-payroll engagements have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax.
<b>Number of existing engagements as of 31 March 2021</b>	<b>0</b>	
<i>Of which, the number that have existed:</i>	<i>0</i>	
for less than one year at the time of reporting	0	
for between one and two years at the time of reporting	0	
for between 2 and 3 years at the time of reporting	0	
for between 3 and 4 years at the time of reporting	0	
for 4 or more years at the time of reporting	0	

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2010 and 31 March 2021, for more than £245 per day and that last longer than 6 months:

New Off-payroll Engagements	Number
<b>No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021</b>	0
<i>Of which, the number that have existed:</i>	0
that fall under the remit of IR35	0
that do not fall under the remit of IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

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

Board Member / Senior Official Off-payroll Engagements	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	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 must include both on payroll and off-payroll engagements.	0

# Staff Report

As a large acute Trust we face many challenges. In order to meet those challenges and seize opportunities for the future it is essential that we have the right people in the right jobs with the right skills mix at the right time. Our People Strategy supports all that we do to attract, recruit, develop, retain, support and reward our staff and teams to meet our future goals and aspirations. The Human Resources Department has a major role in driving the people agenda but it requires each and every one of us to play our part in making UHNM a great and successful place to work.

Here we provide an analysis of our 2020/21 staff numbers and costs.

## Our Workforce

At 31 March 2021, we had a workforce of 10145.04 WTE (11513 headcount). This is excluding bank workers and honorary contracts. Our staffing is made up of a variety of roles and pay scales and provides an overview of our workforce.



## Senior Managers

Analysis of our senior managers is listed below:

Pay scale	Headcount		WTE	
	Female	Male	Female	Male
Band 8a	290	87	260.08	83.79
Band 8b	59	28	55.99	27.39
Band 8c	12	10	11.32	9.40
Band 8d	7	6	7.00	6.00
Band 9	2	1	2.00	1.00
Senior Manager	26	14	25.31	14.00
Director	6	3	6.00	3.00
<b>Grand total</b>	<b>402</b>	<b>149</b>	<b>367.69</b>	<b>144.58</b>

## Staff Numbers

Staff Group*	Full Time Equivalents (WTE)		
	Fixed Term Temporary	Permanent	Total
Professional Scientific and Technical	9.75	374.27	384.03
Clinical Services	156.34	2210.10	2366.44
Administrative and Clerical	67.31	1728.56	1795.87
Allied Health Professionals	19.08	486.58	505.66
Estates and Ancillary	2.95	466.71	469.66
Healthcare Scientists	17.67	378.09	395.76
Medical and Dental	658.03	614.53	1272.56
Nursing and Midwifery Registered	46.37	2907.69	2954.06
Students		1.00	1.00
<b>Grand total:</b>	<b>977.51</b>	<b>9167.53</b>	<b>10145.04</b>

\*excludes bank, agency and staff out on secondment.

## Staff Costs

	2020/21		2020/21 Total £000	2019/20 Total £000
	Permanent £000	Other £000		
Salaries and wages	401,002	24,978	425,979	383,994
Social security costs	36,521	2,916	39,437	35,858
Apprenticeship levy	2,003	-	2,003	1,844
Employer's contributions to NHS pensions	67,361	1,955	69,317	64,491
Pension cost - other	98	10	108	93
Other post-employment benefits	-	-	-	0
Other employment benefits	-	-	-	0
Termination benefits	-	-	-	0
Temporary staff	-	17,295	17,295	18,385
<b>Total gross staff costs</b>	<b>506,985</b>	<b>47,154</b>	<b>554,139</b>	<b>504,665</b>
Recoveries in respect of seconded staff	-	-	-	0
<b>Total staff costs</b>	<b>506,985</b>	<b>47,154</b>	<b>554,139</b>	<b>504,665</b>
<b>Of which</b>				
Costs capitalised as part of assets	0	919	919	696

- The information disclosed in the two tables above has been subject to audit.

## Staff Composition

Staff Group	Part Time		Full Time		Total
	Male	Female	Male	Female	
Director	0	0	2	6	8
Senior Managers (Band 8a – 9)	0	4	15	22	41
Other employees	494	4700	2058	4212	11464
<b>Grand total:</b>	<b>494</b>	<b>4704</b>	<b>2075</b>	<b>4240</b>	<b>11513</b>

## Sickness Absence

The sickness rate at 31 March 2021 (cumulative for the 12 months from 1 April 2020 to 31 March 2021) was 5.37% (4.69% at 31<sup>st</sup> March 2020).

## Staff Turnover

The turnover rate at 31 March 2021 (cumulative for the 12 months from 1 April 2020 to 31 March 2021) was 9.32%% (8.57% at 31<sup>st</sup> March 2020). This excludes junior doctors on rotation.

## Staff Engagement

Staff engagement is measured through the annual NHS Staff Survey. At 6.9, the 2020 staff engagement score remained unchanged from the previous year.

## Trade Union Facility Time Reporting Requirements

Organisation Name	University Hospitals of North Midlands
Organisation Sector	National Health Service
Employees in Organisation	10,000 and above
Number of TU Representatives	46
FTE of TU Representatives	45.1

Number of TU representatives that spend 0% working hours	19
Number of TU representatives that spend 1-50% working hours	24
Number of TU representatives that spend 51-99% working hours	2
Number of TU representatives that spend 100% working hours	1
Total pay bill	465969213
Total cost of facility time	123149.83
Percentage of pay spent on facility time	0.03
Percentage of hours spent on TU activities	0.55

## Staff Policies applied during the Financial Year

Our People Strategy outlines how we will lead and support staff to achieve our 2025 Vision and sets out our aims to provide a positive work environment that promotes an open, supportive and fair culture which helps our staff to do their job to the best of their ability and ensure delivery of high quality care.

We have a number of policies in place to ensure that as an organisation, we fulfil our obligations under equality, diversity and human rights legislation. We want staff to work to the very highest standards, to be able to communicate openly in an organisation which respects people's views, and values individuals and teams. We encourage and recognise high performance in a results-driven environment and will support individual and team development to deliver the organisations goals.

We know that excellent staff experience leads to excellent patient experience and improved patient outcomes. The People Strategy is supported by the Trust's workforce plan, and is aligned to both the learning and education strategy and the organisational development strategy.

We operate a full suite of HR policies, covering the whole employee life cycle. These can be made available to the public and our website <http://www.uhnm.nhs.uk>, provides guidance on how to access them.

- HR08 **Recruitment and Selection Policy**: We believe that unlawful discrimination is unacceptable and we are committed to recruiting staff in accordance with our Equality and Diversity Policy. Applicants are selected solely on objective, job related criteria and their ability to do the job applied for with no discrimination on the grounds of ethnic origin, nationality, disability, gender, gender reassignment, marital status, age, sexual orientation, trade union activity or political or religious beliefs. We provide appropriate assistance to ensure equality for all.
- For Appointments Advisory Committees to recruit to permanent Consultant posts, all members of the panel are required to have received training in Equal Opportunities.
- HS17 **Occupational Health Policy** - The role of occupational health is to help protect and promote the health and wellbeing of staff in the workplace. Workplace Health Assessment checks are also carried out to provide advice to managers, where necessary, on employee needs or any reasonable adjustments required to the work environment or structure in accordance with the Equality Act 2010.
- Appropriate mandatory training is provided to ensure that staff and managers understand their responsibilities under the Policy. Equality, diversity and inclusion themes are integrated into other Trust learning and development programmes as appropriate
- The principles of the **Equal Opportunities Policy** are incorporated into the Trust's Corporate Induction course and included in all local induction packages for newly appointed employees. This is also included in statutory and mandatory training as outlined in Trust policy HR53 **Statutory, Mandatory and Best Practice and the Training Needs Analysis**. All training should be recorded within staff personal record ideally on our electronic staff record.
- HR12 **Equality and Diversity Policy**: As a major employer and service provider we are committed to building a workforce which is valued and whose diversity reflects the community it serves, enabling it to deliver the best possible healthcare service to those communities

# Equality and Diversity

As a major employer, we are committed to building a workforce which is valued and whose diversity reflects the community we serve, so that we can deliver the best possible healthcare to those communities. We want everyone who comes into contact with us to be treated fairly, with respect, dignity and compassion. We are proud of our diverse community of staff, patients, their friends and families and the communities we serve and our Equality and Diversity Inclusion Programme aims to ensure we are delivering this commitment.



Our Equality and Diversity Policy takes into account legislation and guidelines issued by the Equality and Human Rights Commission on compliance with the Equality Act 2010. We aim to ensure that all patients, applicants, employees, contractors, agency staff and visitors receive appropriate treatment and are not disadvantaged by conditions or requirements which cannot be shown to be justified. This is particularly on the grounds of a protected characteristic as defined in the Act.

## Our Workforce Equality, Diversity and Inclusion Governance Arrangements

Our Trust Equality, Diversity and Inclusion Group meets on a bi-monthly basis and advises on a range of initiatives, reports and actions and reports through the Transformation and People Committee to the Trust Board.

We have three active Staff Networks, the Ethnic Diversity Staff Network, the LGBT+ Staff Network and the Disability & Long Term Conditions Staff Network. These groups provide:

- A staff support network for LGBT+/Disabled/ethnically diverse staff at UHNM
- To provide a forum to discuss issues related to LGBT+/Disabled/ethnically diverse staff at UHNM
- Seek to improve the working environment of LGBT+/Disabled/ethnically diverse staff across the whole organisation
- Provide an arena for staff to raise their concerns, in a safe and confidential environment
- Identify good workplace practice internally and externally from appropriate sources
- Provide advice and input to the development and implementation of UHNM new and existing policies, particularly those that affect staff from protected groups
- Provide staff with a united and identifiable voice on employment issues and highlighting the needs and experiences of LGBT+/Disabled/ethnically diverse staff
- To consider reports on equality and inclusion issues at UHNM; such as the Workforce Race Equality Standard, Disability Equality Standard, Stonewall Index, the Equality Delivery System and NHS Staff Survey
- Contribute to a programme of activities to celebrate and encourage respect for diversity and inclusion

Our Staff Networks each have an Executive Sponsor, and the Chairs of each group are members of the Equality, Diversity and Inclusion Group. Each of our three Staff Networks now has its own UHNM Staff Facebook Group, confidential email account and dedicated pages on the Trust Intranet.

During 2020/21 three Integrated Care System Wide Networks have been established with events have taken place over virtual platforms:

- Joint BAME Network
- Joint LGBT+ Network
- Joint Disability and Long Term Conditions Network

Each of these network sessions had national speakers in addition to the leaders of the ICS presenting the diversity and inclusion commitments of the system as a whole. Further system wide network meetings will be held on a quarterly basis.

## UHNM Reverse Mentoring Programme

Our first cohort of Reverse Mentorship programme launched in August 2020, with members of our Ethnic Diversity staff network matched with Board and senior leaders. Reverse Mentoring is a process whereby a senior leader within the Trust is mentored by a person who has either; less perceived power, comes from a disadvantaged position or reflects an underrepresented or marginalised group. It takes place in the form of a one to one relationship established to educate senior leaders about issues faced by more junior members of staff by exposing them to a challenging dialogue which they might otherwise never encounter.

This form of mentoring can be effective in supporting culture change by establishing greater awareness of the organisational, cultural, leadership and system wide inequalities which prevent career progression and development for those in underrepresented groups. It flips the usual mentoring relationship on its head, so that senior leaders have the opportunity to listen, learn and co-create a more inclusive culture for all employees for the benefits of our staff and patients alike

We are planning to run a second cohort, which will be extended to our Disability and Long Term Conditions and our LGBT+ staff network membership in spring 2021.

## Progressing our Model Employer Aspirational Targets

We are committed to increasing the representation of BAME staff in senior leadership roles and progressing in our achievement of our Model Employer aspirational targets. In December 2020 the UHNM Recruitment and Selection Policy was updated to reflect the expectation that recruitment panels will be diverse. The policy, states that 'recruiting managers will be held accountable for ensuring diverse shortlisting and interview panels. UHNM stipulate that it is a requirement that all Band 6 AFC posts and above have an ethnically diverse shortlist and interview panel. All of which need to be recorded against the vacancy on TRAC and will be audited'.

Our internal leadership development – Gold and Platinum Connects programmes also now by a self-nomination process to ensure there is greater prioritisation and consistency of diversity in talent.

## Black History Month

Black History Month 2020 was used to focus on the importance of Allies, and the Trust Communications Department created a short animated video [‘how to be an effective ally’](#).

The Trust supported the annual Show Racism the Red Card event, with a fantastic [show of support](#) from senior leaders, departments and individuals wearing red.

Weekly profiles of inspirational Black people in British history along with a return of the hugely popular Caribbean menu at the Royal Stoke and County restaurants took place during the month long celebrations. A WRES infographic outlining our progress was also shared across the organisation.

## Disability History Awareness Month

18<sup>th</sup> November to 20<sup>th</sup> December saw our first Disability History Awareness Month, and was celebrated with the joint staff network event on 16<sup>th</sup> December and further promotion of the support available from the Staff Network and the Tailored Adjustment Plan. An [infographic](#) to raise awareness of what kind of conditions fall under the Disability definition and key information about working with a long term condition or disability was shared across the organisation.

During the month a series of short films featuring members of our Disability Staff Network were recorded, and these will form part of a Disability Toolkit for UHNM managers, which is to be released during 2021/22.

## LGBT+ inclusion

Whilst Covid 19 meant that events such as Stoke on Trent Pride have not been able to go ahead, the LGBT+ Staff Network have actively promoted LGBT+ inclusivity across the Trust. In June 2020 the Network Chair, Executive Sponsor and LGBT+ Allies produced a short [Pride Month video](#), all about the work of the Network, our Rainbow Badge initiative and what we are doing to make UHNM the best place it can be for LGBT+ staff and patients.

During Pride month the Network ran a month long staff survey asking LGBT+ colleagues to provide feedback on their experiences of working at UHNM. Paul Bytheway and Cae Frary, Network Chair held a Facebook Live session in September 2020 to report back on the findings of the survey and how this is shaping the priorities of the Network.

February 2021 was LGBT History Month and was celebrated with a prominent social media campaign focusing on UHNM LGBT+ Hero's and an awareness campaign about the importance of pronouns. Our LGBT+ Executive Sponsor Paul Bytheway and Network Chair Cae Frary led a podcast with the Terence Higgins Trust, which is available to listen to, and a LGBT+ History Month newsletter was shared. These resources can be viewed on [the LGBT+ History Month](#) page on the intranet.



An example of one of UHNM's LGBT+ Hero's – Caroline Brown

On 22<sup>nd</sup> March 2020 the final of three system wide Winter Inclusion School events was held. 'All of us and LGBT+ Mind, Body and Spirit' was hosted by Paul Bytheway and was a safe space to ask questions and develop competent influencing conversational skills in relation to LGBT+; to create LGBT+ inclusive workspaces and enable LGBT+ service users to receive outstanding experiences. Paul is also the system wide LGBT+ network sponsor.

A series of Transgender Awareness Training Sessions have been scheduled throughout 2021, starting in April. The sessions are led by Jenny Harvey from North Staffordshire Combined Healthcare NHS Trust/Unison and aims to increase awareness of issues surrounding Trans people when accessing healthcare, which can make a significant difference to their experience as service users. The training will provide staff with enhanced skills and knowledge to support colleagues who may be or have transitioned.

## Gender Equality

The issues that surround the gender pay gap and its reporting are complex and the causes are a mix of work, family and societal influences. As employers we will only be able to influence those factors associated with the workplace. The NHS People Plan recognises that to become a modern and model employer the NHS should place a strong emphasis on taking steps to expand opportunities for staff to work more flexibly so that they can achieve a better work-life balance. These are key enablers to increasing the representation of women and removing barriers to progression. During 2020-21:

- Our Flexible Working Policy was reviewed in October 2020 to further enhance the family friendly workplace offering available, with the policy now including the right to request flexible working from the first day and flexible working as a reasonable adjustment to support employees with disabilities.
- The Trust ran a high profile awareness campaign on menopause and the workplace 'Let's Talk About Menopause' which promoted the support and adjustments available for workers experiencing menopausal symptoms when at work
- During 2020 the Staffordshire High Potential Scheme was launched. The HPS is a fully funded 24-month career development scheme to help high potential, aspiring middle level clinical or non-clinical NHS

leaders accelerate their career to senior executive roles at a faster pace. There has been particular emphasis on encouraging applications from protected groups including females and it is extremely positive that 50% of UHNM representatives on the scheme are women

- Revised the nomination process for our Connects Leadership Development programmes to a self-nomination system designed to increase diversity of applications
- Launched an Agile working review across the organisation

Our 2020 gender pay gap report sets out our actions for 2021-22 which will build upon the flexible working changes that are emerging though Covid-19 and respond to the NHS People Plan aspirations of making flexible working a reality for our workforce, with an emphasis on increasing flexible working arrangements in the medical profession. One of the actions taken already has been to advertise all medical and dental roles as available for less than full time working. UHNM's Agile Working Policy was also approved at the March meeting of TJNCC.

8<sup>th</sup> March 2021 marked [International Women's Day](#) and a series of profiles on inspiring UHNM females from across the organisation were shared. As part of the celebrations Tracy Bullock also recorded a short video where she discussed her role as a Chief Executive and the place of women as leaders in the NHS.

Earlier, in January 2021 Tracy Bullock was also a keynote speaker along with other inspirational women leaders at the Staffordshire ICS Winter Inclusion School event – 'Women through a Leadership Lens' which aimed to share fresh ideas and insights through powerful personal stories and conversations and provide delegates with skills and develop new perspectives through challenging gender stereotypes and overcoming barriers to enable progress in leadership journeys.

## Leadership Development - Diversity and Inclusion Awareness

One of the actions in our workforce race equality action plan is to embed cultural intelligence training within UHNM. In December 2020 two members of our Ethnic Diversity Staff Network in addition to HR and Organisational Development team members attended the 'Above Difference' Cultural Intelligence training programme. We have now translated this development into an 'Inclusivity Master Class', which has been introduced to the Gold and Platinum Connects Programme.

In September 2020 a Race Equality Board Development Seminar was held, with presentations from Habib Navqi of the national WRES team and Navina Evans, the outgoing CEO of East London NHS Foundation Trust, who shared her Trusts journey in tackling race equality.

Across the ICS, a development programme for leaders – the Winter Inclusion School ran a series of inclusion events for leaders, which launched on the 30<sup>th</sup> November with 'Let's Talk About Race' event.

## Supporting protected groups during the Covid 19 Pandemic

Our Staff Networks have been actively involved in shaping the support we give to protected groups during the Covid-19 pandemic. Regular communications are sent to our networks about the local and national support available and we engage with our networks to ensure that we are providing the support that is needed.

We have undertaken a full audit of BAME Staff Risk Assessments to provide assurance that all of our BAME workforce have had a risk assessment undertaken and that appropriate mitigating action has been taken where this is indicated.

An Advisory Group for our Risk Assessment process has been established to ensure it is in accordance with best practice and the latest clinical evidence. The group also include our Ethnic Diversity Network Chair/WRES Expert and our Workforce Equality Manager.

In response to evidence that BAME communities are less likely to take up the COVID-19 vaccine, the Trust produced a short video, involving our own staff for colleagues to find out more about the safety and effectiveness of the vaccine. The video can be accessed [here](#). The video and other resources aim to

provide a clearer understanding of vaccine uptake and potential hesitations that are emerging among BAME colleagues and communities in the region, as well as helping to allay concerns.

Guidance on shielding, including infographics have been shared with our Disability Staff Network, and feedback from the network group led to recommendations about the redeployment during the pandemic of staff with a disability or long term condition into unsuitable roles or where reasonable adjustments should be in place.

## Key equality and inclusion priorities for 2020-2021:

- A strategic focus on respect and dignity
- Review our recruitment and promotion practices to ensure that our staffing reflects the diversity of the community
- Progression of our Made Employer goals to ensure that our workforce leadership is representative of the overall BAME workforce
- Launch the UHNM Reverse Mentoring Programme and to introduce culture intelligence training
- Enhance the experiences of our staff with disabilities through launching a disability awareness package for the managers and a reasonable adjustment policy
- Introduce a trans awareness training package for both staff and patients

## Health and Safety

We have a duty under the Health & Safety at Work Act (1974), and other Health and Safety legislation, to ensure, so far as is reasonably practicable, the health, safety and welfare of employees, and those persons who are not employees who might be affected by our activities.

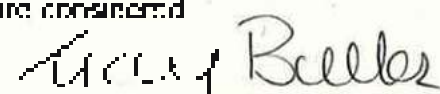
During 2020/21, our Health and Safety Team have been involved in a number of initiatives and projects aimed at improving health and safety across the organisation. Some key highlights include:

- Development and delivery of training on completing Covid 19 Risk Assessments.
- Completion of Corporate Risk Assessments for Covid 19 and the implementation of Government Guidance.
- Review of incident data to ensure incidents were reported to the HSE under RIDDOR as necessary
- Development and implementation of an incident investigation process including reporting and training.
- Development of LSA assessment processes to support the move towards agile working
- Development of an alternative risk assessment process with accompanying training, for action in Spring 2021.
- Refreshed Executive Health and Safety Group with Divisional structures being identified and confirmed
- Development of the Health and Safety Strategy.
- Revision of the Health and Safety policy to reflect an alternative approach to managing safety, with the reduction of policies and more streamlined Standard Operating Procedures and effective training

## Trade Unions

We have a formal agreement in place with the Trade Unions representing our workforce, which is set out within our Staff Policy for Recognition and Collective Bargaining Arrangements. This outlines our involvement of recognised trade Unions and details the consultative framework designed to facilitate harmonious industrial relations. We are committed to working in partnership to achieve these and have agreed systems in place which grant employees with time off for trade union duties.

In order to enable industrial relations to be conducted in an orderly and structured manner a Joint Staff Side is recognised as the main body through which all industrial matters are considered.

  
Tracy Bullock, Chief Executive  
14<sup>th</sup> June 2021

# Part C: Financial Statements



**A commentary on our financial position is included earlier in this report in our headline finances. The following pages are our Summary Financial Statements.**

**The Statement of Comprehensive Income shows how much money we earned and how we spent it. The main source of our income is clinical commissioning groups, with which we have agreements to provide services for their patients.**

The Statement of Comprehensive Income shows how much money we earned and how we spent it. The main source of our income is clinical commissioning groups, with which we have agreements to provide services for their patients.

Our biggest expense is on the salaries and wages of our staff. On average during this year we employed the equivalent of 10, 145 full time staff (9,656 19/20). The actual number of people working for the Trust is more because some staff work part time (therefore the full time equivalent is less).

We also spend money buying services from other parts of the NHS, mainly ambulance transport for our patients.

We buy clinical and general supplies, maintain our premises, some of the costs of which are payable to our PFI partner, and pay for gas and electricity, rent and rates. We also allow for depreciation, the wearing out of buildings and equipment which need to be replaced.

Our Statement of Financial Position summarises our assets and liabilities. It tells us the value of the land, buildings and equipment we own and of supplies we hold in stock for the day to day running of the hospital. It also shows money owed to us and the money we owe to others, mainly for goods and services received but not yet paid for. Under International Financial Reporting Standards it also shows buildings and equipment that are legally owned by our PFI partner and related borrowings which will be settled through the unitary payments we make over the term of the PFI contracts.

In accordance with the requirement to ensure that the carrying value of land and buildings are not materially misstated the Trust commissioned an independent valuer to carry out an interim valuation exercise in March 2021. This resulted in an increase in value of £24m in the carrying value of the assets at 31 March 2021 and reflects an increase in the location factor applied relating to the Staffordshire area and a small movement in the building price indices.

The Better Payment Practice Code shows how quickly we pay our bills.



# Statement of Comprehensive Income for the Year Ended 31 March 2021

	2020/21 £000	2019/20 £000
Operating income from patient care activities	777,292	723,279
Other operating income	137,784	117,357
Operating expenses	(881,523)	(826,612)
<b>Operating surplus/(deficit) from continuing operations</b>	<b>33,553</b>	<b>14,024</b>
Finance income	99	299
Finance expenses	(17,131)	(24,190)
Public dividend capital dividends payable	(5,637)	0
<b>Net finance costs</b>	<b>(22,669)</b>	<b>(23,891)</b>
Other gains / (losses)	71	40
<b>Surplus/(deficit) for the year</b>	<b>10,955</b>	<b>(9,827)</b>
<b>Other Comprehensive Income</b>		
Impairments		0
Revaluations	6,006	14,062
<b>Total comprehensive income / (expense) for the period</b>	<b>16,961</b>	<b>4,235</b>
<b>Financial Performance for the year</b>		
Surplus/(deficit) for the year	<b>10,955</b>	<b>(9,827)</b>
Add back I&E impairments	15	15,057
Adjustments for donated asset/government grant reserve elimination	(3,110)	1
Net impact of DHSC provided inventories for Covid response	(775)	
<b>Reported NHS financial position</b>	<b>7,085</b>	<b>5,231</b>

# Statement of Financial Position as at 31 March 2021

	2020/21 £000	2019/20 £000
<b>Non-current assets:</b>		
Property, plant and equipment	531,240	499,069
Intangible assets	22,817	24,489
Trade and other receivables	452	385
<b>Total non-current assets</b>	<b>554,509</b>	<b>523,943</b>
<b>Current assets:</b>		
Inventories	15,019	13,268
Trade and other receivables	47,410	49,621
Cash and cash equivalents	55,783	26,743
<b>Total current assets</b>	<b>118,212</b>	<b>89,632</b>
<b>Total assets</b>	<b>672,721</b>	<b>597,507</b>
<b>Current liabilities</b>		
Trade and other payables	(98,512)	(74,793)
Provisions	(3,633)	(6,708)
Borrowings	(8,304)	(207,986)
<b>Total current liabilities</b>	<b>(110,449)</b>	<b>(289,487)</b>
<b>Total assets less current liabilities</b>	<b>562,272</b>	<b>324,088</b>
<b>Non-current liabilities</b>		
Provisions	(2,189)	(1,154)
Borrowings	(268,548)	(276,568)
<b>Total non-current liabilities</b>	<b>(270,737)</b>	<b>(277,722)</b>
<b>Total Assets Employed:</b>	<b>291,535</b>	<b>46,366</b>
<b>FINANCED BY:</b>		
Public Dividend Capital	637,861	409,653
Income and expenditure reserve	(465,267)	(476,222)
Revaluation reserve	118,941	112,935
<b>Total Taxpayers' Equity:</b>	<b>291,535</b>	<b>46,366</b>

## Statement of Cash Flows for the Year Ended 31 March 2021

	2020/21 £000	2019/20 £000
<b>Cash Flows from Operating Activities</b>		
Operating surplus/ (deficit)	33,553	14,024
<b>Non-cash income and expense:</b>		
Depreciation and amortisation	30,184	28,519
Net impairments	15	15,057
Income recognised in respect of capital donations	(4,263)	(901)
(Increase)/decrease in inventories	(1,751)	(475)
(Increase)/decrease in receivables and other assets	3,180	(13,711)
Increase/(decrease) in payables and other liabilities	15,583	16,700
Increase/(decrease) in provisions	(2,040)	3,723
<b>Net cash generated from / (used in) operating activities</b>	<b>74,461</b>	<b>62,936</b>
<b>Cash flows from investing activities</b>		
Interest received	99	299
Purchase of intangible assets	(5,115)	(7,845)
Purchase of property, plant and equipment	(39,146)	(16,027)
Sales of property, plant and equipment	103	40
Receipt of capital donations to purchase capital assets	3,057	901
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(41,002)</b>	<b>(22,632)</b>
<b>Cash flows from financing activities</b>		
Public dividend capital received / repaid	228,208	2,511
Movement on loans from the Department of Health and Social Care	(196,093)	9,422
Movement on other loans	(16)	(294)
Capital element of finance lease rental payments	(555)	(503)
Capital element of PFI	(10,843)	(9,706)
Interest paid on finance lease liabilities	(91)	(121)
Interest paid on PFI	(17,040)	(16,287)
Other interest paid	(1,316)	(7,561)
PDC dividend (paid) / refunded	(6,673)	589
<b>Net cash generated from / (used in) financing activities</b>	<b>(4,419)</b>	<b>(21,950)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>29,040</b>	<b>18,354</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>	<b>26,743</b>	<b>8,389</b>
<b>Cash and cash equivalents at 31 March</b>	<b>55,783</b>	<b>26,743</b>

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

	Pubic Dividend Capital (PDC) £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
<b>Taxpayers equity at 1 April 2020 - brought forward</b>	409,653	112,935	(476,222)	46,366
Surplus/(deficit) for the year			10,955	10,955
Revaluations		6,006		6,006
Public dividend capital received	228,333			228,333
Public dividend capital repaid	(125)			(125)
<b>Taxpayers equity at 31 March 2021</b>	<b>637,861</b>	<b>118,941</b>	<b>(465,267)</b>	<b>291,535</b>

## Better Payment Practice Code

Measure of Compliance	2020/21		2019/20	
	Number	£000	Number	£000
Total non NHS trade invoices paid in the year	111,177	469,641	167,860	539,904
Total non NHS trade invoices paid within target	105,546	455,532	158,101	501,736
Percentage of non NHS trade invoices paid within target	94.9%	97.0%	94.2%	92.9%
Total NHS trade invoices in the year	2,876	26,901	4,762	63,633
Total NHS trade invoices paid within target	2,552	23,071	3,805	53,073
Percentage of NHS trade invoices paid within target	88.7%	85.8%	79.9%	83.4%

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

The Trust has not signed up to the Prompt Payments Code.

## Cumulative Breakeven Position

Year	Turnover	Surplus / (Deficit)
1997/98	152,393	(1,199)
1998/99	165,535	(1,246)
1999/00	182,744	1,279
2000/01	193,823	1,225
2001/02	212,576	18
2002/03	235,801	4
2003/04	257,641	3
2004/05	295,327	41
2005/06	299,619	(15,059)
2006/07	333,855	311
2007/08	393,915	3,990
2008/09	371,299	3,008
2009/10	408,938	5,312
2010/11	418,078	4,141
2011/12	426,319	1,050
2012/13	473,558	235
2013/14	475,330	(19,301)
2014/15	623,835	3,782
2015/16	702,917	(26,936)
2016/17	739,279	(27,773)
2017/18	696,630	(69,717)
2018/19	713,838	(63,607)
2019/20	840,636	5,231
2020/21	915,076	7,085

**Cumulative Breakeven Position:**

## Our External Auditor

To demonstrate that we are running our Trust properly we are required to publish a number of statements which are signed by our Chief Executive on behalf of our Trust Board. These statements cover our financial affairs as well as a number of other aspects of managing our Trust.

Our external auditor also checks our accounts and other aspects of our work and we are required to publish statements from them confirming that they are satisfied with what we have done. These formal statements are reproduced on these pages and the directors confirm that they know of no information which would be relevant to the auditors for the purposes of their report which has not been disclosed.

Our accounts are externally audited by Grant Thornton to meet the statutory requirements of the Department of Health. They received fees of £119k for the financial statements audit (including audit of the Annual Report and Annual Governance Statement).

## Pension Costs



Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for our Trust to identify our share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

## Full Accounts

A full set of audited accounts for University Hospitals of North Midlands NHS Trust is available on request or can be viewed and downloaded on our website [www.uhnm.nhs.uk](http://www.uhnm.nhs.uk).

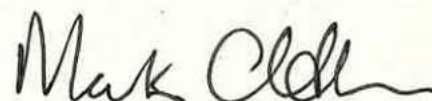
## Certificate on Summarisation Schedules

### Trust Accounts Consolidation (TAC) Summarisation Schedules for University Hospitals of North Midlands NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WCA sheets for 2020/21 have been completed and this certificate accompanies them.

#### Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:
  - the financial records maintained by the NHS Trust;
  - accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
  - the template accounting policies for NHS Trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules
2. I certify that the TAC schedules are internally consistent and that there are no valuation errors.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.



Mark Oldham, Chief Finance Officer  
14<sup>th</sup> June 2021

#### Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Finance Director as the TAC schedules when the Trust is required to submit to NHS Improvement.
2. I have reviewed the schedules and agree the statements made by the Director of Finance above.



Tracy Bullock, Chief Executive  
14<sup>th</sup> June 2021

## Provider accounts template - single entity accounts

npuls

Ward 0111

Name of provider

Provider name

Date of year end

Start of current year

Comparative year end

Start of comparative year

Year for financial reporting

Year for comparative year

Year for year end

Year for comparative year

Reporting Year

Next financial year

Date of approval of financial statements

NAME: HOW STANUS

University Hospitals of Kent - Maidstone NHS Trust

Trust

31/03/2021

01/04/2020

31/03/2020

01/04/2019

2020/21

2019/20

2021

2020

2019

2021/22

14/03/2021

# University Hospitals of North Midlands NHS Trust

Annual accounts for the year ended 31 March 2021

## Statement of Comprehensive Income for the year ended 31st March 2021

		2020-21	2019-20
	RM'000	RM'000	RM'000
Operating income from operations and services	1	171,252	124,279
Other operating income	2	112,134	117,157
Operating expenses	3, 4, 5	(150,057)	(126,672)
Operating surplus/(deficit) from continuing operations		33,329	14,764
Finance income	11	54	159
Finance expenses	12	(17,311)	(15,191)
Finance income		36,667	—
Net financial costs		(17,658)	(15,032)
Provision for impairment	13	—	40
Surplus/(deficit) for the year		19,011	(5,328)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Gain/(loss)	14	8,025	14,082
Total comprehensive income/(expense) for the period		27,036	9,756

Other comprehensive income arises when net changes to reclassifiable items are not included as income or expense for the period. Certain items are excluded as they are not reclassified to income and expenditure.

The revenue reported is in Malaysian Ringgit (RM).

The revenue reported is a performance indicator. Statement of Comprehensive Income for the period is calculated by the Group. The Group has a number of subsidiaries and other entities. The revenue reported is the revenue from the subsidiaries and other entities. The revenue reported is the revenue from the subsidiaries and other entities.

Adjusted financial performance indicator (RM'000)

Revenue/(cost) for the period	15,000	15,000
Revenue/(cost) for the period	15,000	15,000
Revenue/(cost) for the period	15,000	15,000
Revenue/(cost) for the period	15,000	15,000
Revenue/(cost) for the period	15,000	15,000
Adjusted financial performance indicator (RM'000)	15,000	15,000

Adjusted financial performance indicator (RM'000) for the period is calculated by the Group. The revenue reported is the revenue from the subsidiaries and other entities.

During the period, the Group has a number of subsidiaries and other entities. The revenue reported is the revenue from the subsidiaries and other entities. The revenue reported is the revenue from the subsidiaries and other entities.

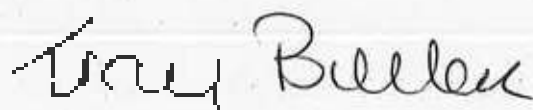
The Group revenue reported is calculated by the Group. The revenue reported is the revenue from the subsidiaries and other entities. The revenue reported is the revenue from the subsidiaries and other entities.

**Statement of Financial Position as at 31st March 2021**

		31 March 2021 £000	31 March 2020 Revised £000
<b>Non-current assets</b>			
Intangible assets	4	22,317	27,746
Property, plant and equipment	-	331,270	154,184
Debtors	13	452	707
<b>Total non-current assets</b>		<b>354,039</b>	<b>282,637</b>
<b>Current assets</b>			
Intangible assets	18	15,019	11,255
Debtors	10	4,410	4,261
Cash and cash equivalents	20	25,743	20,743
<b>Total current assets</b>		<b>45,172</b>	<b>36,259</b>
<b>Current liabilities</b>			
Trade and other payables	2	(11,554)	(60,241)
Borrowings	23	(5,377)	(207,817)
Provisions	25	(1,770)	(6,777)
Other liabilities	22	(11,288)	(3,622)
<b>Total current liabilities</b>		<b>(19,989)</b>	<b>(278,457)</b>
<b>Total assets less current liabilities</b>		<b>334,050</b>	<b>3,180</b>
<b>Non-current liabilities</b>			
Borrowings	21	(265,548)	(270,160)
Provisions	24	(2,108)	(1,154)
<b>Total non-current liabilities</b>		<b>(267,656)</b>	<b>(271,314)</b>
<b>Total assets employed</b>		<b>66,394</b>	<b>28,866</b>
<b>Financed by</b>			
Equity held by central		637,434	416,855
Reserves		15,504	117,515
Reserves and accounts of subsidiaries		(485,264)	(470,222)
<b>Total long-term equity</b>		<b>267,674</b>	<b>46,148</b>

The notes on pages 7 to 31 form part of these accounts.

The financial statements on pages 7 to 9 were approved by the Board on 14 June 2021 and signed on behalf of:



Director  
Date

Chief Executive  
14 June 2021

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

	Public dividend received 2021	Reserves income	Income and expenditure reserve 2020	Total 2020
expenditure and reserve equity at 1 April 2020 - brought forward balances	105,753	117,687	5,76,322	34,168
Surplus/(deficit) for the year	-	-	12,973	12,973
Dividends	-	6,746	-	6,746
Share dividends capitalised	137,111	-	-	224,111
Other dividends capitalised	1125	-	-	1,125
<b>Expenditure and reserve equity at 31 March 2021</b>	<b>322,969</b>	<b>124,433</b>	<b>5,89,295</b>	<b>287,697</b>

• The increase in Public Dividend Capital of £224,111 in 2020/21 is due to £21,996 in new expenditure in connection with COVID-19 and £202,115 in new expenditure with the existing COVID-19 and COVID-19 related funding of £12,973 in total capitalised in 2020/21.

- Expenditure and reserve equity at 31 March 2021 is £287,697
- Expenditure and reserve equity at 31 March 2020 is £34,168
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## Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend received 2020	Reserves income	Income and expenditure reserve 2020	Total 2020
Expenditure and reserve equity at 1 April 2019 - brought forward	407,142	53,273	(453,773)	16,642
Surplus/(deficit) for the year	-	-	12,973	12,973
Dividends	-	6,746	-	6,746
Share dividends capitalised	137,111	-	-	224,111
<b>Expenditure and reserve equity at 31 March 2020</b>	<b>407,142</b>	<b>53,273</b>	<b>(453,773)</b>	<b>16,642</b>

• The increase in Public Dividend Capital of £224,111 in 2020/21 is due to £21,996 in new expenditure in connection with COVID-19 and £202,115 in new expenditure with the existing COVID-19 and COVID-19 related funding of £12,973 in total capitalised in 2020/21.

Expenditure and reserve equity at 31 March 2021 is £287,697

Expenditure and reserve equity at 31 March 2020 is £34,168

Expenditure and reserve equity at 31 March 2020 is £34,168

## Information on reserves

### Public dividend capital

Public dividend capital (PDC) is a type of public sector equity which is owned by the taxpayer and is not a liability. The name of establishment of the public sector NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public sector income account.

### Revaluation reserve

Increases in asset values arising from revaluation are recognised in the revaluation surplus, except where, and to the extent that, they give an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised under the downward movement, representing a net consumption of economic benefit or a reduction in economic potential.

### Income and expenditure reserve

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

## Statement of Cash Flows for the year ended 31st March 2021

		2020/21	2019/20
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit)		39,563	14,024
<b>Non cash income and expense</b>			
Depreciation and amortisation	7.1	30,104	20,213
Net impairment	8	15	13,067
Income recognised in respect of capital donations	4	(1,252)	(877)
(Increase) / decrease in receivables and other assets		3,109	(13,711)
(Increase) / decrease in payables		(1,751)	(4,751)
Net cash flow from / (used in) operating activities		<u>70,088</u>	<u>27,565</u>
<b>Cash flows from investing activities</b>			
Interest received		91	29
Purchase of intangible assets		(5,151)	(7,845)
Acquisition of property, plant and equipment		(29,148)	(15,157)
Subsidiary purchase of plant and equipment		191	40
Proceeds of sale of non-current assets		3,057	60
<b>Net cash flows from / (used in) investing activities</b>		<u>(41,051)</u>	<u>(22,613)</u>
<b>Cash flows from financing activities</b>			
Publicly funded capital received		120,333	261
Publicly funded capital repaid		(1120)	-
Government loan from HSC		(100,953)	8,422
Government other loans		(10)	(255)
Interest payment on borrowings		(335)	(250)
Interest payment on other non-current liabilities		(1,284)	(2,000)
Repayment of loans		(1,315)	(7,961)
Interest paid on financial lease liabilities		3,11	(121)
Interest paid on PFI service concession obligations		(11,345)	(1,227)
PPG dividend paid / received		(3,572)	650
<b>Net cash flows from / (used in) financing activities</b>		<u>(4,478)</u>	<u>(11,663)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>		<u>24,559</u>	<u>(6,711)</u>
Cash and cash equivalents at 1 April brought forward	20.1	<u>26,743</u>	<u>33,454</u>
<b>Cash and cash equivalents at 31 March</b>		<u><u>51,302</u></u>	<u><u>26,743</u></u>

## Notes to the Accounts

### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

The Board of the University of North Carolina at Chapel Hill has directed that the financial statements of the Trust should use the accounting principles set out in the Department of Health and Social Care Generic Accounting Manual (GAM), which shall be agreed with HM Treasury. Accordingly, 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 period commences on the 01/04/2020 in line with the Reporting Standards to the extent that they are meaningful and applicable to the NHS, as confirmed by HM Treasury, which was issued by the Financial Reporting Advisory Board, which the GAM permits a choice of accounting policy, the accounting policy has been applied consistently throughout the period during the course of the Trust for the purpose of giving a true and fair view as set out below. The performance has been prepared on a double-entry basis. These have been applied consistently in dealing with the consolidated financial information in the accounts.

#### Accounting convention

These accounts have been prepared under the historical cost convention modified to include the revaluation of property, plant and equipment, tangible assets, intangibles and certain financial assets and financial liabilities.

#### Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, as set out in the HM Treasury Financial Reporting Manual, states that the directors must prepare the entity's accounts in the public sector so that a sufficient basis for going concern. The directors have a reasonable expectation that this will continue to be the case.

#### Note 1.3 Differences in other entities

The divergence from the Government Financial Reporting Manual (FRM) that NHS bodies are required to comply with NHS bodies' own financial statements has been reviewed. Under the provisions of FRM 10 Consolidated Financial Statements, these Charitable funds that fall under common control with NHS bodies should be consolidated with the charity financial statements. The Financial Reporting Manual and the U-NHS Charity (Charity) that falls under the definition of common control. Charitable fund that fall under FRM 10 are the same as given in the financial reporting manual to give of an entity so as to obtain benefits from its activities. Common consolidated financial statements were voluntarily prepared by more than half the voting power of an entity, including where a body acts as a corporate trustee. The intention of the Financial Reporting Manual is to ensure that the Trust Board. The purpose of an NHS Charity is to assist NHS bodies to, and the HM Treasury view the value benefit linked to the FRM 10 guidance. The Trust has reviewed the financial statements of the U-NHS Charity and it is deemed that the income reported on accounts and income in the Charitable Fund are not material. AS Presentation of Financial Statements states that consolidated accounts are complete and have not been misinterpreted or have not been satisfied if the information is material. The inclusion of the Financial Reporting Manual does not have a material impact on the financial statements of the Trust and has therefore not been consolidated into the Trust's financial statements.

## Notes to the Statement of Financial Position

### Notes 14 Revenue from contracts with customers

Value added tax is levied on contracts with customers. It is accounted for under FRS 15. The GOV.UK extends the definition of a tax and is normally levied on the supply of services. Such an activity is revenue (even if it is not classified as a tax) by the Office of National Statistics (ONS).

Revenue from contracts with customers is provided, recognised when performance obligations are satisfied by the provider and provided goods or services to the customer and is measured at the amount of the transaction price allocated to those performance obligations for the year and the Trust also recognises marketing performance obligations satisfied in that year where the provider's obligation to consideration for those goods or services is unconditional contract, receivable at the end of the year. Where performance obligations are conditional on a further factor other than the passage of time, a contract asset will be recognised. Where a contract liability is recognised or receivable revenue is a performance obligation that is to be satisfied in a future period. It is an asset or liability and may include a contract liability.

### Revenue from NHS contracts

The accounting policies for revenue recognition and the application of FRS 15 are consistently applied. The accounting arrangements with the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under FRS 15 to the subsequent application of marketing policy.

#### 2019/20

The main accounting policy for the Trust is to recognise revenue from contracts for health care services. In 2019/20, the majority of the Trust's revenue from NHS contracts was derived from the provision of services contracted arrangements. Some of the revenue of the year the Trust received was funding from the commissioners. For a period of half of the year, the Trust and the commissioners agreed to an integrated Care System (Gwent, Wiltshire and Transformation Partnership). The related accounting arrangements for the delivery of healthcare services were agreed during the period, with the Trust's ability to consider the necessary, based on the basis of work type services.

The Trust has received additional funding to the cost of the block and system services to reimburse specific costs incurred with the Trust's work to support the delivery of services. Performance and top up income is accounted for as a cash contribution.

#### Comparative period (2019/20)

In the comparative period (2019/20), the Trust's revenue from NHS contracts was derived from the provision of a settlement of income was according to services delivered. A performance obligation relating to the provision of a settlement of healthcare was generally satisfied when the time or health care was received and consumed simultaneously by the customer within the period. The Trust's revenue from NHS contracts was the same as the revenue from the customer's payment of services were provided in full payment. Even when the customer's payment was not received, the Trust's revenue was recognised. Healthcare generally aligned with paragraph 22(a) of the Standard, which includes the delivery of a service of goods or services that were identifiable by the goods and had a similar nature of transfer. At the year end, the Trust's revenue from the NHS was generally delivered in full payment, where a payment was not received, the Trust's revenue was recognised. The actual work done and the cost of the work was accounted for as a cash contribution. It was only dependent on the payment of the cost.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to continue the provision of healthcare and financial recovery and performance targets. Income earned from the funds is accounted for as a cash contribution.

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Where research is carried out under a S&CE, research is recognised as and when performance objectives are satisfied. For example, the researcher has the option to stop work if there is a performance objective that the success of the individual or team in these cases is substantial, but the Trust's main performance does not come associated with a limited use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the most appropriate measure each year, and the extent of the contract, is the revenue recognised annually by the Trust, the provision of 482,614, as set out above.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

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### Education and Training

The fund uses an income-based formula for determining and (1) a relation to market and non-market values available for investment income realized and a recognized when performance criteria are met and when income has been performed. Where the formula obligations are a deduction with the fund's income, it is a spread and applied to IEE. When holding occurs across financial years the formula is deferred to match the expected return.

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Segmenting data are grants for government bodies other than income from commissions 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 the expenditure. Where the grant is used to fund capital expenditure, the amount is transferred to a statement of expenditure because such capital expenditure is not related to the grant. The grant was spent on the 2006-07 year on government grants only.

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The value of the benefits received when accessing funds from the Government's upskilling levy scheme is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider under the English Digital Support for Business (DSB) program, held by the Department for Education, the expenditure is capitalised as a non-current asset, subject to recognition in the period.

Other Items:

distance from the school for children attending secondary school was measured in kilometers from home to school and was categorized as: less than 10 km, 10–20 km, 20–30 km, 30–40 km, 40–50 km, 50–60 km, 60–70 km, 70–80 km, 80–90 km, 90–100 km, 100–110 km, 110–120 km, 120–130 km, 130–140 km, 140–150 km, 150–160 km, 160–170 km, 170–180 km, 180–190 km, 190–200 km, 200–210 km, 210–220 km, 220–230 km, 230–240 km, 240–250 km, 250–260 km, 260–270 km, 270–280 km, 280–290 km, 290–300 km, 300–310 km, 310–320 km, 320–330 km, 330–340 km, 340–350 km, 350–360 km, 360–370 km, 370–380 km, 380–390 km, 390–400 km, 400–410 km, 410–420 km, 420–430 km, 430–440 km, 440–450 km, 450–460 km, 460–470 km, 470–480 km, 480–490 km, 490–500 km, 500–510 km, 510–520 km, 520–530 km, 530–540 km, 540–550 km, 550–560 km, 560–570 km, 570–580 km, 580–590 km, 590–600 km, 600–610 km, 610–620 km, 620–630 km, 630–640 km, 640–650 km, 650–660 km, 660–670 km, 670–680 km, 680–690 km, 690–700 km, 700–710 km, 710–720 km, 720–730 km, 730–740 km, 740–750 km, 750–760 km, 760–770 km, 770–780 km, 780–790 km, 790–800 km, 800–810 km, 810–820 km, 820–830 km, 830–840 km, 840–850 km, 850–860 km, 860–870 km, 870–880 km, 880–890 km, 890–900 km, 900–910 km, 910–920 km, 920–930 km, 930–940 km, 940–950 km, 950–960 km, 960–970 km, 970–980 km, 980–990 km, 990–1000 km, 1000–1010 km, 1010–1020 km, 1020–1030 km, 1030–1040 km, 1040–1050 km, 1050–1060 km, 1060–1070 km, 1070–1080 km, 1080–1090 km, 1090–1100 km, 1100–1110 km, 1110–1120 km, 1120–1130 km, 1130–1140 km, 1140–1150 km, 1150–1160 km, 1160–1170 km, 1170–1180 km, 1180–1190 km, 1190–1200 km, 1200–1210 km, 1210–1220 km, 1220–1230 km, 1230–1240 km, 1240–1250 km, 1250–1260 km, 1260–1270 km, 1270–1280 km, 1280–1290 km, 1290–1300 km, 1300–1310 km, 1310–1320 km, 1320–1330 km, 1330–1340 km, 1340–1350 km, 1350–1360 km, 1360–1370 km, 1370–1380 km, 1380–1390 km, 1390–1400 km, 1400–1410 km, 1410–1420 km, 1420–1430 km, 1430–1440 km, 1440–1450 km, 1450–1460 km, 1460–1470 km, 1470–1480 km, 1480–1490 km, 1490–1500 km, 1500–1510 km, 1510–1520 km, 1520–1530 km, 1530–1540 km, 1540–1550 km, 1550–1560 km, 1560–1570 km, 1570–1580 km, 1580–1590 km, 1590–1600 km, 1600–1610 km, 1610–1620 km, 1620–1630 km, 1630–1640 km, 1640–1650 km, 1650–1660 km, 1660–1670 km, 1670–1680 km, 1680–1690 km, 1690–1700 km, 1700–1710 km, 1710–1720 km, 1720–1730 km, 1730–1740 km, 1740–1750 km, 1750–1760 km, 1760–1770 km, 1770–1780 km, 1780–1790 km, 1790–1800 km, 1800–1810 km, 1810–1820 km, 1820–1830 km, 1830–1840 km, 1840–1850 km, 1850–1860 km, 1860–1870 km, 1870–1880 km, 1880–1890 km, 1890–1900 km, 1900–1910 km, 1910–1920 km, 1920–1930 km, 1930–1940 km, 1940–1950 km, 1950–1960 km, 1960–1970 km, 1970–1980 km, 1980–1990 km, 1990–2000 km, 2000–2010 km, 2010–2020 km, 2020–2030 km, 2030–2040 km, 2040–2050 km, 2050–2060 km, 2060–2070 km, 2070–2080 km, 2080–2090 km, 2090–2100 km, 2100–2110 km, 2110–2120 km, 2120–2130 km, 2130–2140 km, 2140–2150 km, 2150–2160 km, 2160–2170 km, 2170–2180 km, 2180–2190 km, 2190–2200 km, 2200–2210 km, 2210–2220 km, 2220–2230 km, 2230–2240 km, 2240–2250 km, 2250–2260 km, 2260–2270 km, 2270–2280 km, 2280–2290 km, 2290–2300 km, 2300–2310 km, 2310–2320 km, 2320–2330 km, 2330–2340 km, 2340–2350 km, 2350–2360 km, 2360–2370 km, 2370–2380 km, 2380–2390 km, 2390–2400 km, 2400–2410 km, 2410–2420 km, 2420–2430 km, 2430–2440 km, 2440–2450 km, 2450–2460 km, 2460–2470 km, 2470–2480 km, 2480–2490 km, 2490–2500 km, 2500–2510 km, 2510–2520 km, 2520–2530 km, 2530–2540 km, 2540–2550 km, 2550–2560 km, 2560–2570 km, 2570–2580 km, 2580–2590 km, 2590–2600 km, 2600–2610 km, 2610–2620 km, 2620–2630 km, 2630–2640 km, 2640–2650 km, 2650–2660 km, 2660–2670 km, 2670–2680 km, 2680–2690 km, 2690–2700 km, 2700–2710 km, 2710–2720 km, 2720–2730 km, 2730–2740 km, 2740–2750 km, 2750–2760 km, 2760–2770 km, 2770–2780 km, 2780–2790 km, 2790–2800 km, 2800–2810 km, 2810–2820 km, 2820–2830 km, 2830–2840 km, 2840–2850 km, 2850–2860 km, 2860–2870 km, 2870–2880 km, 2880–2890 km, 2890–2900 km, 2900–2910 km, 2910–2920 km, 2920–2930 km, 2930–2940 km, 2940–2950 km, 2950–2960 km, 2960–2970 km, 2970–2980 km, 2980–2990 km, 2990–3000 km, 3000–3010 km, 3010–3020 km, 3020–3030 km, 3030–3040 km, 3040–3050 km, 3050–3060 km, 3060–3070 km, 3070–3080 km, 3080–3090 km, 3090–3100 km, 3100–3110 km, 3110–3120 km, 3120–3130 km, 3130–3140 km, 3140–3150 km, 3150–3160 km, 3160–3170 km, 3170–3180 km, 3180–3190 km, 3190–3200 km, 3200–3210 km, 3210–3220 km, 3220–3230 km, 3230–3240 km, 3240–3250 km, 3250–3260 km, 3260–3270 km, 3270–3280 km, 3280–3290 km, 3290–3300 km, 3300–3310 km, 3310–3320 km, 3320–3330 km, 3330–3340 km, 3340–3350 km, 3350–3360 km, 3360–3370 km, 3370–3380 km, 3380–3390 km, 3390–3400 km, 3400–3410 km, 3410–3420 km, 3420–3430 km, 3430–3440 km, 3440–3450 km, 3450–3460 km, 3460–3470 km, 3470–3480 km, 3480–3490 km, 3490–3500 km, 3500–3510 km, 3510–3520 km, 3520–3530 km, 3530–3540 km, 3540–3550 km, 3550–3560 km, 3560–3570 km, 3570–3

## Node 1 is expanded to an analogous branch.

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Saleses, wages, and employment-related payments such as social security taxes and health insurance costs are recognized in the period in which the service is received from employees. The cost of annual leave entitlement earned by an employee by employees of the entity for the period is recognized in the financial statements to the extent that employees are entitled to use leave at the end of the financial period.

## Pension costs

### Multi-employer Schemes

Post and pre-2001 employees are covered within arrangements of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers' pension liabilities and all its assets administered by the Director of Pensions of the Department of 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 employee pension contribution payable to the scheme for the accounting period. The contribution would then be used to pay any pension benefits when they become due.

Additional pension liabilities arising from a defined benefit scheme are not limited by the scheme except where the maximum is fixed by statute. The full amount of the liability for the additional costs is charged to the operating expenses of the trust. Annual contributions to the pension scheme are expensed when 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 which is carried, jointly and separately,

## **Asset 1.0 Property, plant and equipment**

### **Recognition**

Property, plant and equipment is recognised where:

- it is held for long-term use or for sale in the ordinary course of business;
- its cost or fair value can be measured reliably and the service potential provided is, or will be, measurable to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item has cost at least £5,000 or
- collectively with other items a cash-generating asset at least £5,000 and individually have cost of no less than £250 – where the economic benefits it generates, if they arise simultaneously on these dates, are and deemed to have a reliable cash inflows and are under management control.

Where a large asset, for example a parking facility, includes a number of components with significantly different useful lives, the plant and equipment has been decomposed into assets as soon as possible and depreciated over the relevant useful lives.

### **Subsequent expenditure**

Subsequent expenditure leading to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset where it is necessary that additional future economic benefits are very probable in coming from the improvements or replacement component in such an asset. If it is not probable and the cost of the item can be seen to meet the recognition component of an asset is reduced. The cost of the replacement is capitalised if it meets the above recognition criteria. The carrying amount of the part replaced is recognised as an expenditure that does not generate additional future economic benefits or potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income rather than to the Statement of Finance.

### **Measurement**

#### **Property**

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquisition or construction. The usual one winging, it will be location and condition necessary for the to operate or spend in the manner intended by management.

Assets are measured at replacement cost, which is defined as the cost of their service potential and are measured operational assets used to deliver other than the services or back office functions are measured at their current net realisable value. Assets that were most recently held for their service potential but are replaced with higher capacity than capacity they are measured at replacement value when there are no other items in service that require replacement and they are measured at their net realisable value when replacement is not needed for service.

Revaluation of property, plant and equipment are performed with sufficient frequency to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. If carried values exceeding costs are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost or a modern equivalent asset base.

All non-specialised buildings are measured at current value using independent professional valuations in accordance with RICS standard valuation practice, with initial valuations carried out annually also by independent professional valuers. The fair value valuation is subject to a full inspection by the professional valuer, or where deemed appropriate, an independent inspection where deemed necessary due to significant changes in the year. The cost of the valuation and the cost of inspection of the professional valuer are included in the 2020-21 Statement of Finance.

The first ever capitalisation valuation of land and building assets at 31st March 2021 in line with the approved accounting policies. All asset valuation requires a full inspection by the external valuer. As a result of the Covid 19 pandemic the view of the land and the external and internal assets were taken on site for practical and could not be appropriate in line with the valuations on site in early 2021.

An asset revaluation has been carried out at 31 March 2021 which included a review of capital expenditure, market conditions and asset uses. This is done item-by-item for the previous year which has been reviewed against separate valuation and building costs, any changes to the areas and external building costs, market performance, a full asset valuation of the built-up space for the statement of finance and a full asset valuation of the built-up space for the statement of finance and a full asset valuation of the built-up space for the statement of finance.

Valuations are carried out by professional qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) approach and Method of Value.

The property valuations are carried out primarily on the basis of RICS' best practice approach to property value (RICS published document 'Business and Valuing the Built Environment') and the equivalent used in other property valuations. The valuations for existing and proposed assets used in EPR for the above valuations include property value, construction and service cost of Market Value.

The Department of Health has adopted the Modern Equivalent Asset (MEA) approach to the valuation of assets other than the previous 'current replacement method'. The MEA approach uses a value the asset will normally be based on the cost of a modern eq. however asset that has the same service potential as the existing asset and then adjusted to take account of obsolescence. In the past, functional obsolescence has not been reflected in asset valuations for Health.

Functional obsolescence examines a building's design or specification and whether it may no longer fulfil the function for which it was originally designed or whether it may be more modern than the MEA. The approach is the opposite of that of a replacement of Health's that the MEA is now the expected replacement of the up to date modern specification. It is common to use a factor of obsolescence of 10% to account for obsolescence. The obsolescence adjustment will affect either the cost of upgrading, if this is not possible, the financial consequences of the red, or either may be related with the modern equivalent.

The Trust's FPE assets have been valued using the modern equivalent asset method of current and replacement cost, excluding VAT. It is expected that the Trust is accurately reflecting the current and replacement cost as a permanent asset would also be funded by the Trust, for the value of the current and replacement cost. The valuation reflects the methodology used in the past year.

The MEA approach incorporates the Building Cost Information Service Index, based on the increase or decrease in building costs which is based on the world of work.

The carrying values of FPE are reviewed for impairment in periods of events or changes in circumstances and also the carrying value may not be recoverable.

The Trust's land and building valuation was carried out by the Trust's current value (CVS) or a MEA. Optimised Alternative Site method valuation and completed in April 2022 with an interim valuation on 31 March 2022.

The valuation has been carried out using the RICS' FPE as applied to the UK public sector and in accordance with HM Treasury guidance. The Trust has valued its land and buildings at current value, not specified assets of existing use value and also used replacement cost or depreciated replacement cost.

Properties in the course of construction for service or distribution purposes are carried at cost. Any expenditure less cost includes professional fees and where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport, furniture, fixtures, and plant and machinery that are held for operational use are valued at depreciated value for a cost where these assets have been useful, but are no longer useful, as they are no longer available to be used, different from current value or replacement cost.

#### Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic benefits as they pass through and is considered to have an identifiable and measurable deterioration.

Property, plant and equipment of its has been depreciated at full cost or depreciated at full cost. The depreciation of assets in the course of construction and risk until it is held in the Statement of Financial Position (SFI) and the assets are not depreciated until the asset is brought into use or reverts to the Trust respectively.

#### Revaluation gains and losses

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

Revaluation losses are charged in the revaluation reserve to the extent that there is an available balance for the asset concerned and transferred to opening expenses if operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income, under other comprehensive income.

#### Impairments

In accordance with the Staff Incentive Plan, when an under-consumption or excessive consumption of services potential in the asset are charged to operating expenditure. A similar ruling applies in relation to the revaluation reserve in relation to the under and over-consumption of an amount equal to the lesser of the income charged to operating expenditure, and (in the case of the revaluation reserve) the balance to that asset before the impairment.

An impairment that arises from a cash consumption of services in relation to any dependent is recognised when, and to the extent that, the circumstances that gave rise to the loss have ceased. Revenue is 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 impairment is also recognised in the revaluation reserve. Where at the time of the original impairment, a transfer was made from the revaluation reserve to the operating expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

These impairments are treated as revaluation losses. Reversals of other impairments are treated as revaluation gains.

#### De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in FR8.6 are met. The value must be fairly 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 also recognised when a disposal contract is concluded (see below).

Property plant and equipment which is to be disposed or decommissioned must be recognised as 'held for sale' and its value is measured as an operational asset until the asset is again to be acquired. The asset is re-measured when stripping or demolition occurs.

#### Donated and grant-funded assets

Donated and grant-funded property, plant and equipment assets are capitalised at their current value in addition to cost. The donor or grant is recorded to ensure at the same time, unless the donor has imposed a condition that the future cost to be borne. It is included in the grant receivable account in the income statement by the donor, in which case, the donor's grant is credited with a liability and recorded in the liability account in the donor's income statement. The donor has not yet been met.

The donated and grant-funded assets are subsequently recorded in the same manner as other forms of property, plant and equipment.

In 2020/21, the trust has assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic as defined in the CAGD. The trust applies the principles donated assets, according to assets that the trust has received is held in a separate fund for the year 2020.

## Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

At the start of the contract period the PFI or LIFT contract is a lease arrangement, as described in IAS 17, paragraph 16(2), and accounted for as a lease as defined by the standard. Assets owned by the trust, in accordance with IAS 17, paragraph 16(1)(b), the underlying assets are recognised as property, plant and equipment, together with an equal liability. Subsequently the assets are depreciated for as property, plant and equipment and any other intangible assets as appropriate.

The initial contract payments are apportioned between the lease and the liability, as follows. The charges for services and lifecycle replacement of components of the asset. The element of the annual liability payment increase due to the financial interest on a fixed or floating rate and is expensed as incurred.

The service charges are recognised as operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

The lifecycle replacement element of the liability payment is capitalised where this meets the definition of capital expenditure as defined in IAS 16.

### PFI Assets

The PFI assets are recognised as property, plant and equipment when they come to use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, measured in accordance with the definition of IAS 17. Subsequently the assets are measured at current value less depreciation, etc.

### PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the PFI assets and is subsequently measured as a financial lease liability in accordance with IAS 17.

Annual lease payments are determined by applying the initial measurement of the liability to the interest rate included in the period and is charged to Finance Costs within the Statement of Comprehensive Income.

The amount of the annual liability payment that is allocated to a financial lease payment is applied to meet the annual finance cost and to repay the lease liability over the contract term.

At the end of the annual liability payment increase due to cumulative depreciation is added to the finance lease, in accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as an expense over its expected useful life. In addition, the amount of a finance lease in respect of the liability and the associated cash flows is recognised in the Statement of Comprehensive Income.

### Lifecycle replacement

Components of the asset supplied by the user over during the contract period replacement are capitalised where they meet the NHS trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The amount of the lifecycle replacement allocated to lifecycle replacement is predetermined, for each year of the contract from the operator's planned programme of lifecycle replacement, where the lifecycle component is replaced earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount allocated in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount allocated in the contract, the difference is treated as a fixed asset and a deferred income balance is recognised. The deferred income is released in operating income over the shorter of the remaining contract period or the useful life of the asset or the replacement component.

### Assets contributed by the NHS trust to the operator for use in the contract

Assets used include land and buildings, equipment, furniture, IT equipment, vehicles and property, plant and equipment. In the NHS trust's Statement of Financial Position.

### Other assets contributed by the NHS trust to the operator

Assets contributed include cash payments, surplus property, by the NHS trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the period of release of the contract. Subsequently when the asset is made available to the NHS trust, the prepayment is transferred and the operator transfers the financial lease liability and a corresponding decrease in the value of the liability.

### Useful lives of property, plant and equipment

Useful lives affect the method of depreciation and the remaining life of an asset. The range of useful lives are set out in the table below.

	Min life Years	Max life Years
Land	-	-
Buildings and fitting fittings	5	50
Furniture	20	50
Plant & machinery	5	15
Transport equipment	4	7
Information technology	3	10
Plant and fixtures	5	15

Fixed asset-based assets including right-of-use assets are the shorter of the useful life of the asset, or, unless the trust expects to acquire a replacement asset of a substantially identical asset, the maximum period specified in the table above.

#### Intangible assets

##### Recognition

Intangible assets are non-monetary assets without physical substance which are identifiable, separable from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised on acquisition if it is probable that future economic benefits will flow to or from the trust, identifiable, separable from the rest of the business and measured reliably.

##### Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in AS10.

##### Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the hardware, but is separately purchased or created software which is not integral to the operation of hardware, eg applications or software, is capitalised as an intangible asset.

##### Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs necessary to create, produce and prepare the asset for the point that it is available for 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 measured at the lower of recognised replacement cost and fair value in use where the former is more reliably measurable. Replacement cost is the lower of the market value payable in the same manner as a separately purchased component, with tangible assets, including acquisition and preparation costs, less an estimate of fair value where there are no comparable assets, or the lower of the replacement cost and the fair value of the asset if it were sold.

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

##### Amortisation

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

##### Useful lives of intangible assets

Trusts have adopted the following useful lives and are amortising the assets on a straight line basis. The range of useful lives are shown in the table below.

	Min life Years	Max life Years
Software licences	2	10

## Note 1.10 Inventories

Inventory is measured at the lower of cost and net realisable value. The cost of inventory is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation of the value due to the relatively short life span of stock.

In 2019/20 the inventory included inventory including personal protective equipment for the Department of Health and Social Care in line with the COVID-19 and applying the principle set out in the Conceptual Framework, the Trust has accounted for the disposal of these resources as a deemed cost, reflecting the best available approximation of an impairment model set out in the transaction based on the cost of acquisition by the Department.

## Note 1.11 Cash and cash equivalents

Cash includes bank and accounts and any financial instrument negotiable without any time restriction of not more than 90 days. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown as net balances, over which that are receivable on current and non-current liabilities of the Trust (cash resources in the case of cash and cash equivalents) are netted off current assets.

## Note 1.12 Financial assets and financial liabilities

### Recognition

Financial assets and financial liabilities are where the Trust is party to the contractual provisions of a financial instrument, and where the Trust has a legal right to receive or is legally obligated to pay cash or another financial resource. The GAA extends the definition of a contractual financial obligation and financial asset to cover arrangements for any other resource would be a financial instrument and do not give rise to a financial liability if the liability is by CNS.

It is stated that the contract will be a non-financial transaction or transfer of goods, which are ordered to be performed in accordance with a Trust's contract or other such a usage requirement and are recognised when and to the extent which performance occurs, i.e. when receipt or delivery of the goods or services is made.

### Classification and measurement

Financial assets and financial liabilities are initially measured at fair value, i.e. at the end of the period, and subsequently at cost or amortised cost, less impairment. The measurement of an asset through profit or loss, or at amortised cost, or the amortisation or other determination by the Trust is applied to the asset or liability at the time of recognition.

Financial assets and financial liabilities are measured at amortised cost if they are held to maturity and are classified as subsequently measured at amortised cost.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

### Financial assets and financial liabilities at amortised cost and amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where the Trust is a party to the contract. Financial assets at amortised cost are held to maturity and other receivables, trade and other receivables, and obligations under long-term contracts and long-term contracts and receivables.

When the measurement of financial assets and financial liabilities is measured at amortised cost, the effective interest rate is used to calculate the present value of the cash flows. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or until the gross carrying amount of the financial asset or the financial liability is extinguished.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or liability. Interest revenue is recognised in the Statement of Comprehensive Income and Interest expense is recognised in the Statement of Comprehensive Income and Statement of Cash Flows (operating only). The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or until the gross carrying amount of the financial asset or the financial liability is extinguished.

Intangible assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income when its cash flows are measured at fair value through other comprehensive income, and the cash flows are solely payments of principal and interest. Assets in the fair value of financial assets in this category are recognized at gross or net of other comprehensive income except for impairment losses. For derivative financial instruments, the fair value is measured at fair value through other comprehensive income when the instrument is not equity-linked and the fair value is measured at fair value through other comprehensive income when the instrument is equity-linked and the fair value is measured at fair value through other comprehensive income.

The Trust does not hold financial assets and financial liabilities at fair value through other comprehensive income.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired primarily in the process of selling in the short term (less than 12 months) and derivatives. Derivatives which are not linked to the fair value of financial assets and liabilities in this category are measured at fair value through other comprehensive income. The fair value of financial assets and liabilities in this category are recognized at gross or net of other comprehensive income.

The Trust does not hold financial assets and financial liabilities at fair value through income and expenditure.

Impairment of financial assets

For all financial assets measured at amortized cost (including cash resources), contract receivables and contract assets, assets measured at fair value through other comprehensive income, the Trust recognizes an allowance for expected credit losses.

The Trust applies the simplified approach to impairment for contract receivables and contract assets, and cash resources, measured at amortized cost and contract receivables and contract assets measured at fair value through other comprehensive income. For other financial assets, the Trust applies the expected credit loss model. The Trust measures an allowance for expected credit losses at the end of each reporting period. The allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to the 12-month expected credit losses (stage 2) or the lifetime expected credit losses (stage 3).

The Trust measures the allowance for expected credit losses at initial recognition (stage 1) expected credit losses at the reporting date, 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 credit losses are charged as operating expenditure within the Statement of Comprehensive Income and represent the necessary expense of the financial asset in the Statement of Financial Position.

Derivatives

Financial assets are not recognized when the contractual rights to receive cash flows from the assets have been either the Trust has transferred a substantial part of the risks and rewards of ownership.

Financial liabilities are not recognized when the obligation is discharged, cancelled or expires.

**Note 1.13 Leases**

Leases are classified as Finance Leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

**The financial impact****Finance leases**

When a liability for a lease and the corresponding assets of leased assets are borne by the LFL, the asset is recorded as property, plant and equipment with a corresponding liability recorded. The asset 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 least rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of return on the outstanding liability.

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

The annual lease charge is split between an expense and a liability for a finance lease so as to achieve a constant rate of finance over the life of the lease. The annual finance lease charge is further broken down into interest and depreciation charges as follows.

**Operating leases**

Operating lease payments are recognised as an expense on a straight line basis over the lease term. Lease incentives are recognised initially as a liability for the amount of the discount on the minimum lease payments, as a reduction or reversal 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 component separately.

**The financial impact****Finance leases**

Generally, the term leases under finance leases are recorded as receivables at the amount of the Finance net investment in the lease. Finance lease income is calculated by allocating the net to reflect a constant periodic rate of return on the finance investment outstanding throughout the lease term.

**Operating leases**

Lease income from operating leases is recognised on a straight line basis over the term of the lease, in a direct costs basis with the depreciation and repair or operating costs are taken to the carrying amount of the leased asset and recognised as an expense on a straight line basis over the lease term.

**Note 1.14 Pensions**

The Trust recognises a provision where it has a present legal or constructive obligation (under an existing or constructive agreement) for which it is probable that it will use a future outflow of cash or other resources, and which cannot be avoided by the amount. The amount recognised in the Statement of Financial Position is the lesser of the cost of the pension scheme and the obligation. Where the effect of the time value of money is significant, the estimated obligation is discounted to the present using HM Treasury's discount rate, currently 0.1% March 2021.

		Nominal rate
Short-term	0.1% 5 years	0.07%
Medium-term	0.1% 5 years to 10 years	0.15%
Long-term	Exceeding 10 years	1.03%

HM Treasury publishes discount rates for general provisions on a nominal rate basis. Expenses of the cash flows are calculated in the context of inflation before discounting using these rates. The discounting rates are set by HM Treasury effective 31 March 2021.

	Inflation rate
Year 1	1.2%
Year 2	1.3%
10 popularity	2.0%

Early retirement provisions under a pension scheme are calculated using the HM Treasury's present discount rate of 0.07% in reduction.

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NAHB Research estimates that, pending some measure that the trust pays an annual contribution to NAHB Fund, Inc. which in return covers all third-party negligence claims. Although NAHB Fund, Inc. is automatically and jointly responsible for all third-party negligence claims, the legal liability remains with the trust. The trust also agrees to critical negligence considerations. The NAHB Fund, Inc. is an organization that is a 501(c)(3) non-profit organization, incorporated in the District of Columbia.

## benzylalcohol

The first categories in the Proposed Expenses Scheme and the Debtors to Third Parties Scheme. Both are not pooling schemes under which the trust pays an annual sum to or for all its beneficiaries and in return receives contributions from the beneficiaries and/or third parties. The trust is therefore a capital trust and any payments made to the beneficiaries are not payments of interest but payments of capital.

#### How: 1.15 Contingencies

During the summer of 1982, 1,000 students from postsecondary schools were interviewed; 160 females and 840 males. Future events of child sexual abuse, physical abuse, incest, and disclosure of abuse were an interest of 300 females and 150 males.

Small-angle light scattering was not investigated, but was observed: in both 25–30 wt% the probability of a transition of a polymer in

Do I regret I still have not achieved as

Control of the non-core financial transactions strategy assistance will extend forward only to the occurrence of one or more events. After each event, the following table will be used to determine the extent of control of

• *Impersonal* (logically) ordering them past words, but not with a clear predictable one-to-one correspondence (e.g. *the cat sat on the mat*)

#### Notes to Financial Statements

Subsidized interest income (FDIC's) is a special public sector activity financed based on the excess of assets over liabilities at the time of establishment of the predecessor SAG organization. The Treasury has determined that FDIC is not a financial institution within the meaning of 138-03.

The derivative of  $\delta$  with respect to the PDC is, and the equality constraint of PDC from the last PDC is recorded of the set  $\mathcal{C}_{\text{PDC}} = \mathcal{C}$ .

Changes relating to the cost of capital, based on the value, composition and characteristics of the assets of the company, are calculated in the statement of financial position by 30/06/2019. The average value of the assets of the company is 196.7 million euros. Return on assets was calculated on the basis of all assets, not the value of all liabilities, with certain additons and deductions as defined by the Department of Health and Social Care.

his policy is available on

in accordance with the requirements laid down by the Department of Health and Social Care for the control of PDC. The standard for the year is calculated on the actual average to external orders as set out in the 'forecast' version of the annual accounts. The student calculated is not allowed should any adjustment to net assets occur as a result of the audit of the annual accounts.

## 406 1.17 Value added tax

Most of the studies of this type have examined the scope of feed use, apparently, output and stock and supply and demand components in macroeconomic models. VOT is changed in the relevant expenditure category or included in the capital stock and used as feed input. Where capital is changed or input VOT is recoverable, the answers are scaled not of VOT.

Yule 1.18 Climate at work: how

Expenditure on the climate change levy is recognized in the Statement of Comprehensive Income as incurred, based on the maximum allowable credit for each year, including:

**Note 1.19 Third party assets**

Assets belonging to third parties in which the Trust has an interest (income, purchase money held on behalf of others) 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 FRS 18.

**Note 1.20 Losses and special payments**

Losses and special payments are items that the Trust will not or does not expect to incur (losses) or to pay (special payments) in the ordinary or usual operation. Examples include loss of a building or a vessel or special payments to a former employee or a sick member. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern how any financial and/or tax consequences are handled. However, special payments are charged to the relevant functional heads (ie management function) rather than to the Trust.

The losses and special payments note is compiled directly from the losses and compensation register which records on an annual basis with the exception of any items notifiable losses.

**Note 1.21 Transfers of functions from other NHS bodies**

On 1st January 2018, the Health and Social Care Act 2012 (HSCA 2012) came into force. The transfer of a function to a new transfer body is defined as the transfer of a function to a new transfer body. The assets and liabilities transferred are recognised in the accounts of the body to which the function is transferred. 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 (or amortisation) balances from the transferring entity's accounts are transferred on recognition in the transferee's accounts. When the transferring body recognises a provision reserve, it charges it to the assets. The transferee transfers it from its income and expenditure reserve to its provision reserve or to a main transparency with a public sector account.







Notes to Accounts 2019/20

IFRS requires certain entities to disclose certain financial information with regard to the business, with the disclosure to be provided in the notes to the financial statements. The Trust Board is the body responsible for the preparation of the financial statements and the Trust Board is responsible for the preparation of the financial statements.

	Headline		Headline		Headline	
	2019/20 Total	2019/20 £000	Reported to Trust Board 2019/20 £000	2019/20 £000	2019/20 £000	Variance
Income	27,240	27,240	27,240	27,240	27,240	0
Expenses	(25,221)	(25,221)	(25,221)	(25,221)	(25,221)	0
Net income	2,019	2,019	2,019	2,019	2,019	0
Retained income	2,019	2,019	2,019	2,019	2,019	0
Net income	2,019	2,019	2,019	2,019	2,019	0
Government assets	2,019	2,019	2,019	2,019	2,019	0

The financial performance of the Trust is reported to the Board and the Trust Board is responsible for the preparation of the financial statements. The Trust Board is responsible for the preparation of the financial statements.

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## Breakdown of reimbursement and top up funding

Excess projected top up (p1 - p3)	2014/15	2014/15
Non-operative top up (p1 - p3) - identified	2000	8000
Non-operative top up (p1 - p3) - identified	12,225	-
Non-operative top up (p1 - p3) - identified	20,000	-
Non-operative top up (p1 - p3) - identified	500	-
Non-operative top up (p1 - p3) - identified	100	-
Non-operative top up (p1 - p3) - identified	100	-
Non-operative top up (p1 - p3) - identified	5	-
Non-operative top up (p1 - p3) - identified	7,425	-
Non-operative top up (p1 - p3) - identified	47,000	-

## Analysis of Other Contract income

Other Contract income	2014/15	2014/15
Contract income	5000	5000
Contract income	174	1000
Contract income	200	100
Contract income	50	50
Contract income	200	600
Contract income	900	2,200
Contract income	221	-
Contract income	4,687	5,920
Total	6,990	2,042

Note 5.1 Additional information on contract revenue (FRS 11) recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the period; contract was initiated within the reporting period at the previous period end	-	904

Note 5.2 Incremental price allocated to remaining performance obligations

	31 March 2021 £000	31 March 2020 £000
Revenue from existing contracts allocated to remaining performance obligations as expected to be recognised until 31 March 2021	-	5,163
Total revenue allocated to remaining performance obligations	-	5,163

The Trust has exercised the practical expedients permitted by FRS 16 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 early (consequencing to work done to date and conditions).

The £5,163 million at 31 March 2020 was in relation to the accrual for patient care for partially completed works. As a result of the clock landing mechanism put in place for NHS trusts during 2020/21 in response to the Covid-19 pandemic, this accrual for the prior period has been reversed.

Note 5.3 Fees and charges

44 Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income for each service available. The service that generated the income is also disclosed.

	2020/21 £000	2019/20 £000
Income	174	1,505
Full cost	(2,150)	(2,423)
Surplus/(deficit)	(1,976)	(918)

## Note 2.1 Spending expenditure

	2020/21	2019/20
	£100	£100
Purchase of software for NHS and NHS systems	1,387	1,268
Purchase of software for non-NHS and non-NHS systems	1,367	1,548
Software executive training costs	521,589	65,119
Healthcare and healthcare services	151	171
Supplies and services (other excluding drugs costs)	76,481	71,864
Supplies and services – general	1,361	7,029
Engaged third parties and professional services (other excluding drugs)	81,587	92,115
Independent audit fees	323	373
Consultancy fees	119	1,171
Establishment	4,416	5,329
Travel	21,381	8,761
Transport including road transport	1,164	3,729
Capital expenditure (plant and equipment)	21,717	20,917
Amortisation of intangible assets	1,541	4,919
Voluntary services	11	15,017
Measurement and testing services (including research and testing services)	321	333
Analysis support and laboratory services		
Food services (kitchen and canteen)	112	768
Medical waste costs	101	105
Cleaning and hygiene	22,59	20,957
Legal fees	146	237
Rent costs	14	11
Research and development	2,138	2,319
Research and training	2,956	2,115
Research and development costs	1,017	1,017
Changes in existing expenditure (other than NHS and NHS systems)	16,440	1,184
Contingency & security	124	125
Interest	26	45
Other services, expenses and costs	139	—
Other	658	1,926
<b>Total</b>	<b>881,523</b>	<b>828,812</b>

## Impact of Covid-19

The Trust has been required to report the impact of Covid-19 on expenditure to NHS England and NHS Improvement on a monthly basis from April 2020/21.

In the year ended 2020/21 the reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic. The reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic. The reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic.

For the year ended 2020/21 the reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic. The reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic.

For the year ended 2020/21 the reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic. The reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic.

For the year ended 2020/21 the reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic. The reported spend was significantly higher than expected due to the impact of the Covid-19 pandemic.

**Note 6.2 Other auditors' announcements and limitation on auditor's liability**

Due to the impact of COVID-19 it has been announced that there will not be an audit or quality assurance in the year 2019/20 or 2020/21, therefore no fees are required to be disclosed.

The Trust's estimated staff liability for annual audit work is £2 million (2019/20: £2 million).

**Note 7 Impairment of assets**

	2020/21 £000	2019/20 £000
Net impairment charges in operating surplus or deficit resulting from:		
Unforeseen obsolescence	-	30
Changes in market value	(2,025)	13,027
Other	2,025	-
<b>Total net impairment charges in operating surplus or deficit</b>	<b>16</b>	<b>13,057</b>
<b>Total net impairment</b>	<b>16</b>	<b>13,057</b>

The reversal of impairments of £2,025 million is due to the impact of the new measurement basis made and with effect from 21 March 2021. The reversal of impairments are due to an increase in the valuation of assets, which has now been a positive contribution to value that has been charged to the SCC. The increase in value of building assets is due to an increase in each individual building on site by the Shetland Fire station in the following table, together with the overall value.

The other impairment of £190 million relates to the Trust's possession of the fair value up of the Royal Infirmary site at St James, 2,021 million, and in the case of impairment. The impairment reflects the assessment of the impact of £3,025 million demolition work scheduled in 2020/21 in relation to the fair value of the site. The assessment of demolition costs has been done on a fair value of the Royal Infirmary site will be considered. If the fair value is higher than the carrying value of the site the impairment will be reversed up to the point that the carrying value makes no fair value adjustment on the balance sheet.

## Note 8: Employee benefits

	2020/21	2019/20
	Total	Total
	£000	£000
Salaries and wages	426,004	383,964
Social security costs	39,437	35,808
Employment agency fees	2,008	1,814
Employer's pension costs - NHS pensions	36,217	64,491
Pension cost - other	181	53
Temporary staff (including agency)	11,296	15,365
<b>Total gross staff costs</b>	<b>564,138</b>	<b>504,695</b>
Provision made in respect of accrued holiday	-	-
<b>Total staff costs</b>	<b>564,138</b>	<b>504,695</b>
Of which:		
Costs capitalised as part of assets	616	606

Our employee contribution to the NHS pension increased from 14.3% to 15.6% (excluding all contributions to get from 1 April 2017 to 2018) and 2020/21, NHS contributions have to pay over 100% bulk to the former rate after the cost of an unanticipated cost over by NHS England on providers' behalf. The full cost of related funding has been recognised in these accounts and the increase in cost above for the change in 2019/20 - 2020/21 and 2019/20 - 2020/21.

The employee benefit costs above resulted in a net accrual of £16,203 million in 2020/21. The Trust had a policy to require employees to take annual leave within the financial year, however due to the exceptional circumstances of the Covid pandemic and in line with guidance from NHS England and NHS management employees have been allowed to carry forward annual leave in 2020/21.

As detailed in note 9 the employee benefits costs above include £11,828 million identified as emergency costs associated with the Covid pandemic and reported in NHS England and NHS improvement data monthly calls.

## Note 8 - Retirement leave to ill-health

During 2020/21 there were 3 early retirements from the Trust agreed on the grounds of ill health (2 in the year ended 31 March 2020). The estimated additional pension liability of these ill health retirements is £100k at 31/03/2021.

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

## Note 21 Pension costs

Past and current pension promises are covered by the provisions of the two NPS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pension Schemes website. These include the NHS Pension and Self-employed member defined benefit schemes that cover NHS employees, Self-employed and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, including NHS and NHSX. They are not designed to be an insurance policy, but the NHS has set up a fund to identify the value of the underlying assets in order to fund them. Therefore each scheme is accounted for as if two defined contribution schemes: the cost to the NHS being of each funding the assets in order to pay out to the contributors payable to the schemes for the accounting period.

It is noted that the defined benefit obligation is recognised in the financial statements at the end of the reporting period. The FRB requires that the period between the valuation date and the balance sheet date should not exceed 12 months, with appropriate assessments in intervening periods. An outline of these follows.

### a) Accounting valuation

A valuation of scheme liabilities is carried out annually by the scheme actuary (currently the Government Actuary's Department) at the end of the reporting period. This involves an actuarial assessment for the pension accounting period of the pension liabilities, taking into account the contributions for the current accounting period, and a completed or completed valuation for the financial reporting period. The valuation of the scheme liabilities as at 31 March 2021 is based on a valuation date as 31 March 2020, updated to 31 March 2021 with summary good practice and accounting data, including the actuarial assessment of the methodology presented in the 2019-2020 annual report. The methodology and the data used are presented by the Actuary in the annual report.

The latest assessment of the liabilities of the pension 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 Pension Schemes website and are published annually. Copies can also be obtained from the Actuary (2021).

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the value of the liability in respect of the pension scheme under the schemes (existing or to be set up) and to provide a basis for the assessment of the funding of the pension scheme, payable by the employer and/or the pensioner.

The latest actuarial valuation of the liabilities of the NHS Pension Scheme was completed as at 31 March 2021. The results of this valuation set the employer contribution rate payable from April 2021 to 2025 of 20.5% of pensionable pay. The 2021-22 funding valuation was also reported in the annual report of the Scheme, as well as the employer contribution rate payable from April 2021 to 2025 of 20.5% of pensionable pay. The 2021-22 funding valuation was also reported in the annual report of the Scheme, as well as the employer contribution rate payable from April 2021 to 2025 of 20.5% of pensionable pay. The 2021-22 funding valuation was also reported in the annual report of the Scheme, as well as the employer contribution rate payable from April 2021 to 2025 of 20.5% of pensionable pay.

The Government subsequently announced in July 2021 that the value had been fixed, and so the cost to the Scheme of the 2021-22 valuation was fixed. The Government has agreed that the cost of running the pension scheme will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost of the pension scheme and will report on the findings in 2022. The findings of this review will be included in the 2022-23 valuation, with the aim of any changes to the pension scheme being included in the 2022-23 valuation.

## Note 10: Leasing assets

## Note 10.1 University Hospitals of North Midlands NHS Trust as a lessee

The table below sets out a period of material lease agreements where University Hospitals of North Midlands NHS Trust is the lessee.

The Trust does not hold any financial assets or liabilities covered in the financial reporting period. Financial liabilities are buildings owned by the Trust.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	913	1,173
Total	<u>913</u>	<u>1,173</u>
	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year	139	173
- later than one year and not later than five years	981	1,000
- later than five years	12	47.1
Total	<u>1,132</u>	<u>1,220.1</u>

## Note 10.2 University Hospitals of North Midlands NHS Trust as a lessee

The table below sets out costs and commitments incurred in operating lease arrangements where University Hospitals of North Midlands NHS Trust is the lessee.

Apart from the above table, the information that is required to be disclosed in respect of lease arrangements can be disclosed as lessee. The operating lease arrangements include the payment of staff accommodation, equipment, vehicles and community facilities. The remaining terms of these leases vary significantly from a few months to several years. Where lease arrangements are not in place (e.g. the community centre) an estimate has been made. All values include other assets considered in the accounting period, known as the annual monthly lease payment.

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	1,277	1,277
Total	<u>1,277</u>	<u>1,277</u>
	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:		
- not later than one year	1,243	1,243
- later than one year and not later than five years	3,514	5,097
- later than five years	10	1,058
Total	<u>4,767</u>	<u>7,398</u>

Of the future minimum lease payments of £4,767m (£5,097m in 2019/20), £4,057m will be due in lease payments relating to buildings (£6,616m in 2019/20) and £710m to other assets (£3,645m 2019/20).

**Note 11 Finance Income**

Finance income comprises interest received on deposits and investments in the period.

	2020/21	2019/20
	£000	£000
Interest on bank deposits	13	295
Other finance income	10	-
<b>Total finance income</b>	<b>23</b>	<b>295</b>

**Note 12.1 Finance expenditure**

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

	2020/21	2019/20
	£000	£000
<b>Interest expenditure:</b>		
Interest from the Department of Health and Social Care	-	1,412
Finance leases	9	12
Net finance costs on FFI schemes and pensions	7,401	7,734
Contingent finance costs on FFI scheme obligations	9,621	9,621
<b>Total interest expenditure</b>	<b>17,431</b>	<b>28,779</b>
<b>Total finance costs</b>	<b>17,431</b>	<b>28,791</b>

The interest expenditure from 2019/20 was due to interest on cash borrowing using the commitment of Finance Department to supply currency under Treasury Support Facility Agreement. The total borrowing at 31 March 2020 was £195,009 million. The interest charged by the Trust on its borrowing was between 1.5% and 5% in 2019/20. The Trust had zero net cash borrowing of £1,600 million at 31 March 2020.

The Trust has not incurred any interest payments or charges in respect of borrowings in 2019/21 due to the agreement of 100% remuneration and capital payment at April 2020 with the Bank of Public Finance Limited.

**Note 12.2 The late payment of commercial debts (Interest) Act 1998 (Public Contract Regulations 2015)**

	2020/21	2019/20
	£000	£000
Compensation paid to private debt providers under public law agreement	-	2

**Note 13 Other gains/(losses)**

	2020/21	2019/20
	£000	£000
Gain on disposal of assets	7	40
<b>Total gains/(losses) on disposal of assets</b>	<b>7</b>	<b>40</b>
<b>Total other gains/(losses)</b>	<b>7</b>	<b>40</b>

Note 14 Intangible assets - 2020/21

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation/ gross cost at 1 April 2020 - brought forward	45,789	782	46,548
Additions	2,604	1,316	3,920
Reductions	422	(1,791)	249
Valuation/ gross cost at 31 March 2021	48,799	787	49,715
Amortisation at 1 April 2021 - brought forward	22,057	-	22,057
Provided during the year	5,041	-	5,041
Amortisation at 31 March 2021	27,098	-	27,098
Net book value at 31 March 2021	21,800	1,917	22,017
Net book value at 1 April 2020	23,709	782	24,419

Information and technology assets are the only category of intangible assets held by the Trust

Intangible assets are not subject to a formal review, as amortisation reflects their value decreasing as they are put to use. In previous years the Trust has reassessed the carrying amount to the Trust of its fixed assets by carrying forward a value increase for those assets which

For 2020/21 the Trust has assessed that there have not been any changes to the ongoing benefit to the Trust of these assets and therefore there have been no material additions or disposals during

Note 14.1 Intangible assets - 2019/20

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation/ gross cost at 1 April 2019 - as previously stated	39,828	122	39,928
Additions	5,458	841	7,199
Reductions	(1,525)	(1,121)	(2,646)
Valuation/ gross cost at 31 March 2020	43,761	780	46,547
Amortisation at 1 April 2019 - as previously stated	17,822	-	17,822
Provided during the year	1,705	-	1,705
Reversals	(375)	-	(375)
Amortisation at 31 March 2020	22,057	-	22,057
Net book value at 31 March 2020	21,704	780	22,406
Net book value at 1 April 2019	21,901	122	22,101

[illegible]

	Land	Buildings	Goodwill	Assets under construction	Plant & machinery	Transport equipment	Information technology	Intangible	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2022 - brought forward	14,283	417,538	3,063	2,443	129,889	731	15,237	2,082	595,006
Goodwill	-	2,540	-	7,565	9,779	-	12,000	-	30,796
Impairment	2,100	71,394	-	-	-	-	-	-	73,494
Revaluation surplus transfer	-	6,138	-	-	-	-	-	-	6,138
Provisions	-	(10,255)	10	-	-	-	-	-	(10,245)
Transfer from/to	-	150	-	12,320	1,000	-	40	-	13,470
Depreciation/amortisation	-	-	-	-	(3,388)	-	-	-	(3,388)
At 31 March 2022	23,835	437,722	2,155	5,957	138,002	701	20,580	9,115	638,057

Published online 12 May 2013 in Wiley Online Library (wileyonlinelibrary.com). DOI: 10.1002/anie.201300000

Line Item	Amount	Percentage	Total
Fixed Assets	100.00	100.00	100.00
Current Assets	100.00	100.00	100.00
Liabilities	100.00	100.00	100.00
Equity	100.00	100.00	100.00
Depreciation	100.00	100.00	100.00
Accumulated Depreciation	100.00	100.00	100.00

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As a result of the above, the authors have decided to keep the manuscript as it is, and not to make any changes. The manuscript is now ready for publication.

[illegible]

Mar 2020 Property, plant, and equipment - 2019/20

Valuation of gross cost at 1 April 2019 - 2019/20

Land  
Buildings  
Plant and equipment  
Intangible assets  
Goodwill  
Deferred tax assets  
Deferred tax liabilities  
Current tax assets  
Current tax liabilities

Valuation of gross cost at 31 March 2020 - 2020/21

Accumulated depreciation at 1 April 2019 - 2019/20

Land  
Buildings  
Plant and equipment  
Intangible assets  
Goodwill  
Deferred tax assets  
Deferred tax liabilities  
Current tax assets  
Current tax liabilities

Accumulated depreciation at 31 March 2020 - 2020/21

Net book value at 1 March 2020 - 2020/21

Net book value at 1 April 2019 - 2019/20

Land	Buildings	Plant and equipment	Intangible assets	Goodwill	Deferred tax assets	Deferred tax liabilities	Current tax assets	Current tax liabilities	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
14,280	417,528	2,005	2,333	129,885	737	15,323	1,882	318,038	518,038
-	-	-	-	86,358	754	51,688	2,764	115,873	115,873
-	14,000	20	-	9,400	-	2,075	2,000	21,475	21,475
-	25,000	-	-	270	-	-	-	13,130	13,130
-	150	-	-	-	-	-	-	140	140
-	25,000	120	-	-	-	-	-	15,000	15,000
-	-	-	-	-	-	300	-	370	370
-	-	-	-	117,300	-	1,130	-	20,000	20,000
-	-	-	-	77,047	254	11,483	4,880	48,664	48,664
14,280	417,528	2,005	2,333	186,358	754	16,453	2,764	135,873	135,873
14,280	424,078	2,025	2,333	130,125	754	16,453	2,764	136,062	136,062
-	14,000	-	-	10,400	-	1,075	-	11,475	11,475
-	25,000	-	-	270	-	-	-	13,130	13,130
-	150	-	-	-	-	-	-	140	140
-	25,000	120	-	-	-	-	-	15,000	15,000
-	-	-	-	-	-	300	-	370	370
-	-	-	-	117,300	-	1,130	-	20,000	20,000
-	-	-	-	77,047	254	11,483	4,880	48,664	48,664
14,280	417,528	2,005	2,333	186,358	754	16,453	2,764	135,873	135,873
14,280	424,078	2,025	2,333	130,125	754	16,453	2,764	136,062	136,062

Notes 15.3 Property, plant and equipment financing - 2020/21

	Buildings							Total
	Land	Buildings excluding dwellings	Buildings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net book value at 31 March 2021								
Carve-out purchased	28,232	219,040	-	5,118	32,747	-	4,636	4,067
Disposals	-	-	2,165	-	37	-	-	-
Construction contracts	-	278,505	-	-	5,387	-	1,457	-
Carve-out disposals	-	3,303	-	-	1,273	-	573	34
NAV total at 31 March 2021	28,232	497,922	2,165	5,136	38,181	-	6,119	2,371
								201,840

Notes 16.4 Property, plant and equipment financing - 2019/20

	Buildings							Total
	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net book value at 31 March 2020 restated								
Carve-out purchase	14,238	203,463	-	7,370	30,757	-	3,117	777
Disposals	-	-	1,387	-	1,241	-	-	-
Construction contracts	-	275,937	-	823	5,940	-	1,615	-
Carve-out disposals	-	1,241	-	720	5,737	-	48	2
NAV total at 31 March 2020 - restated	14,238	477,532	1,392	8,393	51,484	-	7,520	2,300
								201,847

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Source: U.S. Census Bureau, *Statistical Abstract of the United States*, 1997, Table 1201, "Deaths by Cause, Sex, Race, and Hispanic or Latino Ethnicity, 1990-1994." The total number was 20,573 in 1994, 19,461 in 1990, and 18,200 in 1980. Government of California.

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Work of Hazardous Materials Response and Investigation

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As part of the accounting on the 1990-1991 audit all income reported for the 1990-1991 calendar year (1990-1991) was included in the 1990-1991 tax return. The 1990-1991 tax return was filed on 10/15/91. The 1990-1991 tax return was filed on 10/15/91. The 1990-1991 tax return was filed on 10/15/91.

And one also needs to learn how to build a design of speedboat and a diesel engine for a land-based engine. It was a great design challenge. In 1963, the company built the first diesel engine used in the Japanese electric ferries. That was an achievement from the 1950s, because the electric ferries had been built with internal combustion engines. Other common causes of land-based electric ferries include: advances in technology, capital and change. The new electric ferries had built with the kind of land-based engine, but the electric ferries were built with the new technology. And the new technology was used in the new ferries.

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5.1. The following information is provided for the year ended 31 March 2012 and for the year ended 31 March 2011:

none of them had the one leading to the beam. The one seen walked in 24 March 2007. For the Kings there is a difference of 10.722 in  $\Delta$  between the adopted value for the JPL ephemerides and the value of the same  $\Delta$  obtained from the adopted value for the JPL ephemerides. The JPL ephemerides are based on the JPL ephemerides, and the difference between the two values is 10.722. The first value is 10.722, and the second value is 10.722. The difference between the two values is 10.722.

[illegible][illegible]

The useful lives of these assets have been determined as a result of their usage, but generally fall within the following ranges:

	Useful Life Years	Useful Life Years
Buildings	3	30
Equipment	20	30
Furniture and Fixtures	5	5
Transportation Equipment	4	7
Information Technology	3	5
Leasehold Improvements	5	5

The useful lives of buildings and equipment are provided as part of the corporate capital budgeting process by the senior management. The fixed assets less buildings, which are used for market research, are sold to the company for use in the laboratory and in the research plant and are sold as a separate division, so are not used in buildings.

	2019/20 (\$'000)	2018/19 (\$'000)
Depreciation expense	12,549	12,205
Accumulated depreciation	990	0
Depreciation expense	13,539	12,205
Depreciation expense	13,539	12,205
Depreciation expense	13,539	12,205

## Note 10 Inventories

	31 March 2021	31 March 2020
Drugs	£160	£100
Consumables	4,196	4,697
Energy	144	139
<b>Total inventories</b>	<b>£4,400</b>	<b>£4,936</b>

The 2020/21 agreed 31 March 2021 inventory was £4,400 (2019/20 was £4,936). The downward movement in inventory was due to the impact of the pandemic on the supply of consumables.

In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS Foundation Trusts at no charge. During 2020/21 the Trust received £16,200 of these supplies from NHS.

The value of £16,200 of these supplies has been included in the expenditure account and £16,200 in the related other income account within the £16,200 in the other income account in the balance sheet note.

The Trust is advised that the inventory has been valued at £4,400 in accordance with the accounting standards. The Trust has an inventory policy that states that inventory is valued at the lower of carrying amount and net realisable value. The Trust has been advised that the inventory has been valued at the lower of carrying amount and net realisable value. The Trust has been advised that the inventory has been valued at the lower of carrying amount and net realisable value.

## For 2019/20 financial year

The financial statements for 2019/20 were audited by the independent auditor in accordance with the requirements of the Companies Act 2006. The Trust's auditor was a firm of independent accountants. The Trust's auditor was a firm of independent accountants. The Trust's auditor was a firm of independent accountants. The Trust's auditor was a firm of independent accountants.

**Note 19.1 Receivables**

	31 March 2021 £000	31 March 2020 £000
<b>Current</b>		
Trade receivables	87,409	49,498
Allowance for impaired current trade receivables	(13,437)	(12,120)
Receivables from PHU	4,245	5,108
PHU dividend receivable	1,017	-
WAT receivables	3,154	1,257
<b>Total current receivables</b>	<b>81,388</b>	<b>43,743</b>
<b>Non-current</b>		
Other receivables	451	385
<b>Total non-current receivables</b>	<b>451</b>	<b>385</b>
<b>Of which receivables from NHS and HSC group bodies:</b>		
Current	28,477	28,701
Non-current	402	380

Following the collapse of the NHS from March 2020, the Trust's cash flow has been severely impacted. As a result, the Trust has been unable to pay its trade receivables and other receivables. The Trust has therefore been unable to pay its trade receivables and other receivables. The Trust has therefore been unable to pay its trade receivables and other receivables.

## Note 12.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£'000	£'000	£'000	£'000
Allowances as at 1 April - brought forward	1,620	-	7,747	-
New allowances arising	424	-	301	-
Changes in existing allowances	124	-	-	-
Reversals in a number	(331)	-	-	-
Utilisation of allowances net of off	60	-	(951)	-
Allowances as at 31 March	2,437	-	7,097	-

In line with FR3.9 the Trust has followed the historical non-payment of income for, non-acceptance of private referrals, payment reclaims and other commercial income and has agreed a probability of use in the recognition of doubtful debts. As a result the Trust has set the credit bad rate of 22.43% (2.70% in 2018/19). The Trust's management considers that this is a reasonable reflection of the value at risk.

The net cost or discount for allowances in credit management systems on a monthly basis will be reduced or increased dependent upon the Trust's new receivables deemed to be potential parties of being collected in full.

## Note 16.3 Exposure to credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies the Trust has no material credit risk. The maximum exposure as at 31 March 2020, are to receivables from customers, as disclosed in the table set out in note 12.2 above.

**Note 20.1 Cash and cash equivalents movements**

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible financial known values which are subject to an insignifcant risk of change in value.

	2020/21 £000	2019/20 £000
At 1 April	25,745	5,539
Net change in year	25,540	15,264
At 31 March	<u>51,285</u>	<u>20,803</u>
Broken down into:		
Cash at commercial banks and in hand	5	3
Cash at the Government Banking Service	<u>51,280</u>	<u>20,800</u>
Total cash and cash equivalents as in S&P	<u>51,285</u>	<u>20,803</u>
Total cash and cash equivalents as in S&G	<u>51,285</u>	<u>20,803</u>

**Note 20.2 Third party assets held by the trust**

University Hospitals of North Midlands NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or on the patient's behalf in order to facilitate the patient's care. There has been no material change to the cash and cash equivalents figure reported in the accounts.

	31 March 2021 £000	31 March 2020 £000
Bene balances	10	7
Total third party assets	<u>10</u>	<u>7</u>

## Note 21.4 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	1,707	11,503
Finance payables	12,071	4,524
Accruals	50,493	31,244
Short-term security credits	11,736	10,517
Other payables	8,146	6,512
<b>Total current trade and other payables</b>	<b>83,153</b>	<b>64,299</b>

The total bi-monthly accrual include an annual leave accrual of £13,563 million in 2020/21. The Trust has a policy to require employees to take annual leave within the financial year; however due to the exceptional circumstances of the Covid pandemic and in line with government and NHS England and NHS Improvement employment protection measures, it may be extended to leave in 2021/22.

Included within other payables is £9,040 million (£5,202 million in 2019/20) in relation to outstanding bills or commitments at the year end.

## Of which payables to NHS and DHSC group bodies:

Contract	3,106	14,932
Supplier		

Loans are measured at a net book value less the accrued interest for the period between the loan issuance and capitalisation of new additions to the carrying value at the year end note 21.4 (for 2019/20 comparison only)

## Note 22 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income and liabilities	7,020	5,828
Total other current liabilities	<u>7,020</u>	<u>5,828</u>

## Note 23 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Short-term BMSF	-	107,400
Other loans	-	0
Deferred interest income	523	521
Obligations under PF, JFT or other service concession contracts	7,981	10,140
Total current borrowings	<u>8,504</u>	<u>107,861</u>
Non-current		
Obligations under finance leases	1,531	1,505
Obligations under PF, JFT or other service concession contracts	285,777	276,185
Total non-current borrowings	<u>287,308</u>	<u>277,690</u>

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSEI) announced measures to the NHS relating to the 2020/21 financial year. During 2020/21 existing DHSC interim measures of capital transfer at 31 March 2020 were not required and replaced with the issue of A.M. Transfer Capital (PTC) to allow the recovery of the equipment of loans and issue of PTCs issued to cover a total of £195.062 million.

## Note 21.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from HMRC £000	Other loans £000	Finance leases £000	PFI and LIFT structures £000	Total £000
Carrying value at 1 April 2020	137,400	10	1,904	285,225	484,554
Cash movements:					
Financing cash flows - payments and receipts of principal	(187,565)	(10)	(575)	(10,400)	(207,550)
Financing cash flows - payments of interest	(1,010)	-	(51)	(1,400)	(2,461)
Non-cash movements:					
Additions	-	-	1,106	-	1,106
Application of effective interest rate	-	-	2	7,101	7,103
Other changes	-	-	-	12	12
Carrying value at 31 March 2021	-	-	2,464	274,596	277,060

## Note 21.3 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from HMRC £000	Other loans £000	Finance leases £000	PFI and LIFT structures £000	Total £000
Carrying value at 1 April 2019	137,821	310	2,271	284,631	405,433
Cash movements:					
Financing cash flows - payments and receipts of principal	(2,072)	(254)	(600)	(8,000)	(11,086)
Financing cash flows - payments of interest	(5,580)	-	(121)	(1,654)	(15,355)
Non-cash movements:					
Additions	-	-	136	-	136
Application of effective interest rate	7,777	-	2	7,064	15,432
Carrying value at 31 March 2020	127,400	10	1,904	285,225	484,554

## Note 24 Finance leases

Note 24.1 University Hospitals of North Midlands NHS Trust as a lessee  
The Trust has the following finance leases:

Note 24.2 University Hospitals of North Midlands NHS Trust as a lessor  
The following are finance leases where the Trust is the lessor:

	31 March 2021	31 March 2020
	£'000	£'000
Finance lease liability	2,232	2,101
Assets to be leased out		
- in the lease term	696	605
- less than one year and not more than one year	1,322	1,383
- more than one year	62	173
Finance charges attributable to future periods	1150	1200
Net lease liability	2,464	1,904
of which payable:		
- not more than one year	820	87
- later than one year and not later than five years	1,294	1,293
- later than five years	50	124

The lease liability in the Trust's Statement of Financial Position is 2,464 million split between 820 million due in less than one year and 1,644 million due in more than one year.

The Trust has a finance lease in place relating to the new repayments will be made in 2025.

In relation to property the liability represents the sum of the rental payments and the interest on the liability (£0.843 million) less the amount due to be received (£0.067 million) which is recognised as an expense in the year that the payment is made.

The Trust has finance leases for pathology equipment and premises. The new repayments will be made in 2022.

In relation to these leases the liability represents the sum of the rental payments and the interest on the liability (£1,755 million) less the amount due to be received (£0.113 million) which is recognised as an expense in the year that the payment is made.

Note 26: Provisions for liabilities and charges analysis

	Pensions Liability	Legal claims	Equal Pay Agreement	Redundancy	Other	Total
At 1 April 2020	5000	6000	5000	6000	6000	5000
During the year	500	900	600	1000	4000	7000
Used during the year	-	100	-	(400)	100	100
At 31 March 2021	5500	6900	5600	6600	10000	23600
Expected timing of cash flows						
in the next year	500	500	100	500	1000	3000
in the next two years	500	500	100	500	1000	3000
Total	5500	6900	5600	6600	10000	23600

The Trust has provided £0.75 million (2019/20 £0.880 million) in respect of pension employment pension included in a liability provision.

The Trust has provided £0.500 million (2019/20 £0.300 million) in respect of legal costs. Of the £0.500 million provided to current employment, £0.200 million (2019/20 £0.100 million) is expected to be used in the future to meet the costs of legal proceedings by the Trust in respect of redundancy, whistleblowing, including and resolved, and the £0.300 million is expected to be used in the future to meet the costs of legal proceedings under the N-S Litigation Act.

The Trust has provided £0.20 million (2019/20 £0.223 million) in respect of additional costs in relation to new and old claims where the Trust has agreed to be asked and a liability is arising over which a liability is expected to be incurred in the future. These are classified under Equal Pay and Other.

The Trust has provided £0.800 million (2019/20 £0.512 million) in respect of additional costs.

**Note 26.3 Clinical negligence liabilities**

As 31 March 2021, £325,118 was included in provisions of NHS Resolution in respect of clinical negligence liabilities of University Hospitals of North Midlands NHS Trust (31 March 2020: £369,670).

**Note 29 Contingent assets and liabilities**

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
Other	(187)	(111)
Gross value of contingent liabilities	(187)	(111)
Net value of contingent liabilities	(187)	(111)

The above relates to the member contingent liability relating to the excess due on clinical negligence claims covered by the NHS Litigation Authority.

**Note 27 Contractual capital commitments**

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment relating to assets	1,062	840
Total	2,024	1,090

The property, plant and equipment capital commitments relate to £1,205 million for a number of on-going estates projects such as the Royal Infirmary demolition project and £839 million in relation to digital pathology.

The intangible assets capital commitment is determined by the Technology – Healthcare Information Management System scheme for on-going commitments with the supplier.

**Note 21 Off-Balance Sheet service consumption arrangements**

The scheme covers the re-exchange of the Royal Stoke (formerly City General) core medical management services, PFI arrangements, management equipment services and the work and maintenance of medical equipment.

The Trust retains its governing skills at the Royal Stoke (formerly City General) core and has its new building programme by the City General.

The annual PFI payments are at August 2020. A monthly unitary payment will be paid up to 2020. Historically, unitary payments have been made to reduce the monthly unitary payment. The unitary payment is subject to annual increases in line with RPI. Services are subject to market testing every 7 years. The arrangements cover the transfer of the core services to the trust, which is responsible for the service delivery and the core services. The core services are subject to performance measures and the core services are subject to the core services being paid by the trust. The Trust also receives inputs should the core services be transferred to the core services being paid by the trust. Under FRS 12, the assets received as a result of the trust. The substance of the contracts is that the trust has a financial lease and payments comprise elements – interest, finance lease charges and service charges. Details of the financial lease charges are included within the lease charges.

**Note 21.1 On-Site PFI service consumption arrangement obligations**

The following obligations in respect of the PFI service consumption arrangements are recognised in the statement of financial position:

	31 March 2021 £000	31 March 2020 £000
<b>Gross PFI service consumption liabilities</b>	<b>170,105</b>	<b>385,214</b>
Of which liabilities are due:		
- not later than one year	14,78	17,400
- later than one year and not later than five years	34,140	85,919
- later than five years	29,175	304,900
Finance charges allocated to future periods	150,600	110,705
<b>Net PFI service consumption arrangement obligations</b>	<b>20,505</b>	<b>274,509</b>
- not later than one year	1,581	1,040
- later than one year and not later than five years	34,285	35,701
- later than five years	22,639	237,768

**Note 21.2 Total on-Site PFI service consumption arrangement commitments**

The future commitments in respect of the PFI service consumption arrangements are as follows:

	31 March 2021 £000	31 March 2020 £000
<b>Total future payments committed in respect of the PFI service consumption arrangements</b>	<b>2,047,525</b>	<b>2,106,835</b>
Of which payments are due:		
- not later than one year	32,154	85,400
- later than one year and not later than five years	21,117	21,063
- later than five years	1,994,254	1,999,372

Of the total future commitments £129,000 million (2019/20 £13,000 million) are in relation to the development and construction of the schemes.

The future obligations discussed are based on the total payments the Trust is expected to be paying in respect of, over 20FF 25. The future payments are included in the initial estimate and added within the operations costs. The actual payments may change as they are based on actuals received.

The future obligations discussed are based on the judgement that a number of change orders where the operator provides additional equipment and the vehicle is repaired or the replacement of the software increases the monthly fee contract, only for the cost for partial of new change order (part of a new order).

#### Note 38.2 Analysis of amounts payable to service concession operator

This note contains an analysis of the liability payments made to the service concession operator

	2020/21	2019/20
	£000	£000
Liability payment payable to service concession operator	69,217	64,260
Consisting of:		
Interest charge	7,407	7,994
Settlement of balance sheet obligation	10,842	2,573
• Services contract and other charges (i.e. operating expenditure)	38,113	34,381
• Social Security maintenance	1,810	4,309
• Contingent on	9,035	7,003
Total amount paid to service concession operator	69,217	64,260

## Notes 2B Financial Instruments

### Notes 2B.1 Financial risk management

Instead of preparing standard IFRS 7 required diagrams of the new financial instrument elements, UHM has lost during the period of uncertainty in the global financial crisis, which has not been fully resolved, liquidity. Because of the continuing service provided to the public, which the N49 Trust along with UHM has the way does UHM are financed the N49 Trust and associated in the expense of the UHM is funded by these means. Thus, UHM has a significant part of its income is fixed rate in existing and changing risk, which would be typical of fixed companies, so when the financial reporting is not directly applicable. The N49 Trust, which has a number of measures to reduce the financial distress and liabilities are generated by day to day operational activities rather than being able to change the risk bearing the N49 Trust is not in a different financial risk.

The Trust's financial management operations are controlled by the finance department within parameters defined primarily within the financial management framework and policies approved by the board of directors. UHM is not actively susceptible to being affected by the Trust's financial risk.

#### Currency risk

The Trust is principally a domestic organization with the great majority of its transactions, assets and liabilities being in the local currency (euros). The Trust does not have any exposure to the multi-currency risk, nor exposure to any major fluctuations.

#### Interest rate risk

The Trust has an active approach to the revenue funding subject is approved by N49 improvement to focus set by the Department of Health (the entity).

#### Credit risk

However, the majority of the Trust's income comes from public sector and other public sector bodies. The Trust has low exposure to credit risk. The maximum exposure as at 31 March 2021 was in more variable from public sector bodies used in the income and other resources. UHM

#### Liquidity risk

The Trust's income and expenses are not fully dependent on UHM, which are financed from various sources, including by Parliament. The Trust does not depend on income from UHM, which is not subject to borrowing and the Trust is not, therefore, exposed to significant liquidity risk.

**Note 26.2 Carrying values of financial assets**

The carrying values of the financial assets are shown in the table below

	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
Carrying values of financial assets as at 31 March 2021	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	31,672	-	-	31,672
Cash and cash equivalents	55,783	-	-	55,783
<b>Total at 31 March 2021</b>	<b>88,455</b>	<b>-</b>	<b>-</b>	<b>88,455</b>

	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
Carrying values of financial assets as at 31 March 2020	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	31,673	-	-	31,673
Cash and cash equivalents	28,743	-	-	28,743
<b>Total at 31 March 2020</b>	<b>60,416</b>	<b>-</b>	<b>-</b>	<b>60,416</b>

The carrying values of financial assets in the table above are judged to be a reasonable approximation of the fair value.

**Note 26.3 Carrying values of financial liabilities**

The carrying values of financial liabilities are shown in the table below

	Held at amortised cost	Held at fair value through I&E	Total book value
Carrying values of financial liabilities as at 31 March 2021	£000	£000	£000
Obligations under financial leases	2,454	-	2,454
Obligations under PFI, JFM and other service contracts – construction	274,306	-	274,306
Trade and other payables excluding non-financial liabilities	58,275	-	58,275
<b>Total at 31 March 2021</b>	<b>285,035</b>	<b>-</b>	<b>285,035</b>

	Held at amortised cost	Held at fair value through I&E	Total book value
Carrying values of financial liabilities as at 31 March 2020	£000	£000	£000
Leases from the Department of Health and Social Care	187,450	-	187,450
Obligations under financial leases	1,814	-	1,814
Obligations under PFI, JFM and other service contracts – construction	200,235	-	200,235
Other liabilities	7	-	7
Trade and other payables excluding non-financial liabilities	52,301	-	52,301
<b>Total at 31 March 2020</b>	<b>341,807</b>	<b>-</b>	<b>341,807</b>

The carrying values of financial liabilities in the table above are judged to be a reasonable approximation of the fair value.

**Note 20.4 Maturity of financial liabilities**

The following maturity profile of financial liabilities is based on a discounted cashflow basis. This differs to the amounts recognised in the statement of financial position which are determined to price the debt.

	31 March 2021	31 March 2020
	£000	£000
Financial year 2021	7,753	297,373
Financial years that exceed then five years	55,471	92,345
Financials after five years	237,696	304,277
<b>Total</b>	<b>428,820</b>	<b>694,095</b>

There has been a significant change in the year on year movement in the table above as the previous analysis was based on face values. However, the 2021 figures, which are year on year, are based on the discounted face value based cash flow (by year) which is making financial diagnosis.

**Note 20.5 Fair values of financial assets and liabilities**

IFRS 7 requires the Group to disclose the fair values of financial liabilities. In 2020, the Group has a commitment to provide security where the fair value is likely to differ from the carrying value. The Group has used the discount rate of 3.75% provided within the GPM model to calculate the fair value of the liability. Based on the discount rate included in the GPM which is to be used in the calculation, the fair value of the liability would be £272.136 million (£202.870 million in 2019/20).

**Note 32 Losses and special payments**

	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Lost cards and cheque statements			201	450
Stolen assets and equipment, property	3	902	4	136
<b>Total losses</b>	<b>3</b>	<b>902</b>	<b>205</b>	<b>586</b>
<b>Special payments</b>				
Compensation in respect of death or injury involving a litigant abroad	-	-	2	1
Ex gratia payments	10	19	53	21
<b>Total special payments</b>	<b>10</b>	<b>19</b>	<b>55</b>	<b>22</b>
<b>Total losses and special payments</b>	<b>13</b>	<b>921</b>	<b>260</b>	<b>608</b>

14-00000

\*The Three Regions of the study shows large number of respondents who are satisfied by the use of the use of signposts. It has been also employed to control and monitor a programme of changes to other signpost numbers. Because of reduced costs, the use of the signposts, and the use of the signposts.

		2020/21		
	Payments to Related Party	Receivable from Related Party	Payable	Receivable
Related party	€000	€000	€000	€000
European Union Authority	11	-	-	-
The Justice Group RSC (management cost)	-	75	-	3
HM Revenue & Customs (admission)	-	2	-	3
Logistics Resources (Retailer & Freight agent Fee) (cost)	-	11	-	-
Knicks University	1,452	-	77	52
Other costs	24	-	-	-

		2019/20		
	Payments to Related Party	Receivable From Related Party	Payables	Receivables
Related party	€ million	€ million	€ (000)	€ (000)
Interest Through Affiliates	31	-	-	-
Intel Display Group (MSI) - commission cost	-	114	-	15
Wuxi - Service Received	-	2	-	2
Wuxi - Commission Received	-	76	-	7
Advanced Materials and Technology Development - financial cost	-	52	-	-
Other Related Party	1,164	1,137	7	357

The Department of Public Works is a classic entity. During the year the Town has received significant financial aid from federal, state and local sources. Additionally, the Department has been able to obtain grants from the Commonwealth, the Department of Transportation, the State Department of Education, and the Department of Health and Human Services.

[illegible]



## Note 34 Better Payment Practice code

	2020/21	2020/21	2019/20	2019/20
	Number	£000	Number	£000
Non NHS Payables				
Total non-NHS trade payables in the year	11,117	489,641	10,020	416,206
Total non-NHS trade payables paid within target	10,640	465,632	13,101	401,725
Percentage of non-NHS trade payables paid within target	84.8%		84.2%	
NHS Payables				
Total NHS trade payables in the year	2,818	26,901	4,022	51,503
Total NHS trade payables paid within target	2,052	23,071	3,905	43,073
Percentage of NHS trade payables paid within target	80.7%	85.5%	71.0%	83.4%

The Better Payment Practice code requires the NHS body to aim to pay all trade payables within 30 days of receipt of valid invoices, whichever is later.

## Note 35 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2020/21	2019/20
	£000	£000
Cash flow borrowing	61,000	116,524
External financing requirement	63,183	116,324
Excess financing limit (EFL)	2,183	7,144
Under (over) spend against EFL	43,128	19,575

## Note 36 Capital Resource Limit

	2020/21	2019/20
	£000	£000
Direct capital expenditure	54,715	30,591
Less Disposals	124	-
Less Depreciated and granted capital expenditure	0,238	651
Charge against Capital Resource Limit	54,475	31,271
Capital Resource Limit	56,000	32,000
Under (over) spend against CRL	1,525	-

## Note 37 Break-even only financial performance

	2020/21
	£000
Adjusted financial performance surplus (profit) / (deficit) (excluding tax charge)	7,002
Break-even duty financial performance surplus / (deficit)	7,003

# How To Develop Your Own Business

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...הוא שיש להם חוקים משלהם וזה לא נכון. זהו חלק מהחוקים של ישראל.

The main purpose of this study, therefore, was to determine the effect of the addition of a small amount of water to the feed of broiler chickens on the growth rate and feed conversion ratio.

The authors are grateful to Dr. J. B. Rose for his helpful discussions during the course of this work.

the influence of the environment on the development of the individual, and the influence of the individual on the environment. The environment is the sum of all external factors that influence the individual, and the individual is the sum of all internal factors that influence the environment. The environment and the individual are in a constant state of interaction, and this interaction is the basis of the development of the individual.

8. 100% - 100%

the initial results of the 1999 European election are presented. These results have received considerable media attention. These requirements would require that the government would have to vote for a 100% with the 100% of the sample. A comparison of results across the two elections with the 1999 election is also included. The results of the 1999 election are presented.

[illegible]



**STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST**

The Chief Executive of NHS in government, 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 (TAM) and, understanding that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- the efficiency 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 government, to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a form and disclosed by the Secretary of State to give a true and fair view of the state of affairs at the end of the financial year and the income and expenditure, or the items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which I am not aware and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information, 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 Way Buller Gary Buller - Chief Executive

Date 14/06/21

## STATEMENT OF 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 these accounts, the directors are required to

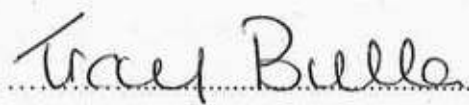
- apply on a consistent basis accounting policies as laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

 Date 14/06/21 Tracy Bulla  
Chief Executive

 Date 14/6/21 Mark Olden  
Chief Finance Officer

# Independent auditor's report to the Directors of University Hospitals of North Midlands NHS Trust

## Report on the Audit of the Financial Statements

### Qualified opinion on financial statements

We have audited the financial statements of University Hospitals of North Midlands 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, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the 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.

### Basis for qualified opinion

Due to the national lockdown arising from the Covid-19 pandemic in March 2020, we were not able to fully observe the counting of the physical inventories at 31 March 2020 or satisfy ourselves by alternative means concerning the inventory quantities held at that date, which had a carrying amount in the Statement of Financial Position of £13.3 million. Consequently, we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary or whether there was any consequential effect on the drugs costs and supplies and services for the year ended 31 March 2021.

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 qualified 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £13.3 million held as at 31 March 2020, and related balances. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### **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 8 June 2021 we referred a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 in relation to the Trust's ongoing breach of its three year break-even duty for the year ended 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 55, 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](http://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 obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- 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, internal audit 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. We determined that the principal risks were in relation to:
  - journal entries that altered the Trust's financial performance for the year;
  - potential management bias in determining accounting estimates, especially in relation to:
  - the calculation of the valuation of the Trust's land and buildings; and
  - accruals of income and expenditure at the end of the financial year.
- 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 particular focus on significant journals at the end of the financial year, which impacted on the Trust's financial performance;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of:
    - property, plant and equipment valuations
    - the annual leave accrual;
  - 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, included the ongoing breach of its statutory break-even duty, the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to the valuation of the Trust's land and buildings and its annual leave accrual.
- 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.
  - 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 Chief Executive’s responsibilities as the Accountable Officer of the Trust, set out on page 54, 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 University Hospitals of North Midlands 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, and
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Trust for the year ended 31 March 2021.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2021.

### 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

15 June 2021

## **Independent auditor's report to the Directors of University Hospitals of North Midlands NHS Trust**

In our auditor's report issued on 15 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.
- Completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the year ended 31 March 2021. We have now completed this work.

### **Opinion on the financial statements**

In our auditor's report for the year ended 31 March 2021 issued on 15 June 2021 we reported that, in our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the 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.

The Basis for qualified opinion section of our opinion was as follows:

- Due to the national lockdown arising from the Covid-19 pandemic in March 2020, we were not able to fully observe the counting of the physical inventories at 31 March 2020 or satisfy ourselves by alternative means concerning the inventory quantities held at that date, which had a carrying amount in the Statement of Financial Position of £13.3 million. Consequently, we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary or whether there was any consequential effect on the drugs costs and supplies and services for the year ended 31 March 2021.

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 and performance 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 the University Hospitals of North Midlands 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

5 August 2021