Wrightington, Wigan and Leigh Teaching Hospitals

NHS Foundation Trust

Annual Report and **Accounts 2020/21**

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust

Annual report and accounts 2020/21

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

Contents

Opening remarks from the Chair

This year has been a year like no other, for us here at Wrightington, Wigan and Leigh Teaching Hospitals NHS FT (WWL) as well as for the NHS as a whole. As we started the year, the global COVID-19 pandemic had just begun. The UK had entered its first period of national lockdown and people were beginning to adjust to social distancing and being asked to stay at home wherever possible.

Now the year has come to an end, we have experienced so much. We experienced a great sense of pride in our teams who went the extra mile every day to provide high quality care to our patients. We experienced true humility as the public clapped on their doorsteps for the NHS. We experienced concern, both for those patients whose procedures were unavoidably delayed and for our staff who put their own needs aside to provide care for others. And we experienced great sorrow at the loss of so many patients across the country to COVID-19, including members of our WWL and wider NHS family.

This will be my last annual report as the Chair of WWL, as I have come to the end of my term of office after seven years in post. I have always been proud of my involvement with WWL but the pride I feel when I see how far we have come this year cannot be understated. I want to pay tribute to the Executive Team which has steered the organisation through these challenging times, ensuring that WWL was always in a position to respond. And I thank my non-executive director colleagues and our governors for the way in which they embraced the different ways of working.

During the year we designed and built Bryn Ward in just six weeks, ensuring that we were able to flex our capacity to meet the needs of our patients. We installed new equipment to increase our ability to provide high flow oxygen to even more patients across our acute hospital site. And during the year we instigated a staff support programme which saw drop-in sessions with trained members of staff being rolled out across all of our sites. There is so much that we have learnt about ourselves and each other during the pandemic and new ways of working have been introduced. We are committed to ensuring that we keep the best of these new approaches for the benefit of our staff and patients.

As I said at the start, this year has been a year like no other and we recognise the need to bear this in mind when we look to the coming twelve months. We recognise the need to recover and to allow time to consolidate following COVID-19 and to balance this with starting to make positive steps towards delivering our longer-term ambitions. Our approach to the coming year therefore has three areas of focus:

- Recovering from the impact of COVID-19
- Progressing key elements of the strategy that make us unique
- Ensuring we have a robust foundation to build on

I would like to close by thanking each and every member of staff, every volunteer, all of our partners and everyone who has contributed to WWL's journey this year.

Robert Armstrong
Chair

9 June 2021

PERFORMANCE REPORT.

PERFORMANCE REPORT

Performance overview

The purpose of this overview of performance is to provide information on our organisation, its history and purpose. The Chief Executive also presents his perspective on our performance during the financial year 2020/21 and describe the key issues, opportunities and risks as determined by the board.

Who we are

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust is a medium-sized acute and community foundation trust in the North West of England, within the Greater Manchester footprint. On 1 April 2020 we changed our name to Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust to reflect our commitment to education and training, as the first step towards our overarching aim of achieving university teaching hospital status in the future. We are registered with the Care Quality Commission without conditions and they rated us as “Good” at our last inspection. NHS Improvement has also judged our use of resources to be “Good”.

We serve a local population of 326,000 and we provide specialist services to a much wider regional, national and international catchment area. We provide our acute clinical services from our five main sites: Royal Albert Edward Infirmary, Wrightington Hospital, Leigh Infirmary, Thomas Linacre Centre and Boston House. Our community services are provided from a range of locations across the borough.

Royal Albert Edward Infirmary is our main district general hospital site and is located in central Wigan. Here you will find our Accident and Emergency department as well as the majority of our in-patient services. There has been a hospital on this site since 1873 and it was named after the then-Prince of Wales who officially opened it in 1875.

Wrightington Hospital is a specialist centre of orthopaedic excellence and enjoys a world-acclaimed reputation. Situated just over the border in West Lancashire, it was from here that Professor Sir John Charnley developed the hip replacement in November 1962 and our surgeons of today have continued to enjoy a reputation for excellence.

Leigh Infirmary is an outpatient, diagnostic and treatment centre in the south of the borough. Thomas Linacre Centre is a dedicated outpatient centre in central Wigan and Boston House is a specialist ophthalmology unit, again in central Wigan.

This year we launched *Our Strategy 2030* which sets out our vision to be a provider of excellent health and care services for our patients and the local community. In doing so, we see our current rating of ‘Good’ with the Care Quality Commission as the baseline and we want that rating to move to ‘Outstanding’ during the life of the strategy. To achieve that aim, we will support and empower our people to deliver high quality, patient-centred care. We will also develop our approach to continuous improvement and embed evidence-based methodologies as well as nurturing a culture of improvement to guide us our journey.

Review of the year

As always there is much to be proud of at WWL this year. During the year we have come together – in WWL, in Greater Manchester and across the nation as a whole – to deal with the challenges faced

by the global COVID-19 pandemic. Our people have responded in ways we could never have foreseen and we are unbelievably proud of each and every one of them. We were also touched by the generosity of our local communities who sought to help us however they could. In particular we received a number of charitable donations during the year; from local people who wanted to give something back as well as from the national charity, NHS Charities Together. During the year the public overwhelmingly supported a fundraising campaign led by the late Captain Sir Tom Moore and as a result the national charity received a £39.3m boost, which is a remarkable legacy left by a remarkable man. Our charity, Three Wishes, received £117.5k from this fundraising campaign.

Robert said in his opening remarks that this year has been one like no other. The usual metrics around access to services and quality are not directly comparable with the previous year because of the unprecedented circumstances during the year and we ask that you bear this in mind when considering our performance.

A summary of our performance against key access and quality metrics is provided below:

 **Access headlines**	▪ **87.48%** performance against the Accident and Emergency four-hour wait target (target 95%; 2019/20: 83.88%) ▪ **74.58%** performance against two-week wait from referral to date first seen for all urgent cancer referrals (target 93%; 2019/20: 93.84%) ▪ **59.33%** performance against the 18-week referral-to-treatment pathway (target 92%; 2019/20 90.97%) ▪ **67.74%** performance against 6-week diagnostic standard (target 99%; 2019/20: 98.98%)
 **Quality headlines**	▪ **2** MRSA bacteraemia during the year (target 0; 2020: 0) ▪ **43** *C. difficile* infections against a target of 20, with **12** attributable to lapses in care (2019/20: 48 with 13 attributable to lapses in care) ▪ **1** never event against a target of 0 (2019/20: 4) ▪ Hospital Standardised Mortality Rate (HSMR) of **103.7** for the period January 2020 to December 2020 (average is 100) (2019/20: 107.4)

As you will see from the staff report which begins on page 44, we place great importance on supporting our colleagues and we want to be an employer of choice in the local area. We take feedback from our workforce seriously and we undertake quarterly surveys to seek feedback. We have provided an analysis of the results of this year's national staff survey later in this report.

As well as commending our own staff, we also want to pay tribute to the staff from our partner organisations across Wigan. We believe that it is only through teamwork and joined-up ways of working that we will collectively be able to provide the right levels of care for our population. We are proud to be part of the Healthier Wigan Partnership, which is a collaboration between the NHS, local authority and other partners to make health and social care services better in Wigan. The Healthier Wigan Partnership is working to create a simple, joined-up health and social care service which pledges to do the following for the people of Wigan:

1	2	3	4	5
Support you to be well and stay well	Help you live a full, active life, doing what you like to do	Offer easy access to more services in your community	Provide you with the right treatment when you need it	Offer the best possible care in the most efficient way

Joined up working is already making a real difference to our patients. The low number of patients who cannot be discharged because they are waiting for onward care facilities to become available is testament to the work of the integrated discharge team and others across Wigan who work tirelessly to coordinate resources to ensure patients are cared for in the right place at the right time.

It can be tempting to look at good performance in isolation and to avoid looking at areas where we can improve. At WWL, we firmly believe in continual improvement and we are committed to bettering ourselves in areas where we are not currently achieving the necessary standards. The board receives a performance report at each meeting which incorporates a clear dashboard to signpost directors to areas of concern.

Principal risks faced and impact

Throughout the year, the key risk to the organisation was the impact of COVID-19. Our workforce has always been important to us and this year the true importance was highlighted as our people went to extraordinary lengths to deliver care to our patients under extremely difficult circumstances. Like many NHS organisations we were faced with uncertainty around the availability of personal protective equipment towards the start of the year and we put plans in place to ensure that our staff would be protected. We had to introduce social distancing across all of our sites and a significant proportion of our workforce moved from being based on site to working remotely, almost overnight. We had to develop a new way of working by videoconference, introducing virtual clinics for our patients and transacting business online. And we designed, developed and installed a field hospital on the Royal Albert Edward Infirmary site to deal with the risks around hospital bed capacity.

As a result of the pandemic, business as usual ceased and the primary focus of the organisation was on the delivery of healthcare to our local population. As we enter 2021/22, we now turn our focus to recovery and we look forward to providing an update on progress in next year's annual report.

For more information on how we manage risk within the foundation trust, including the detail of the key risks that the organisation was exposed to during 2020/21 and those identified for 2021/22, please see the Annual Governance Statement which begins on page 70.

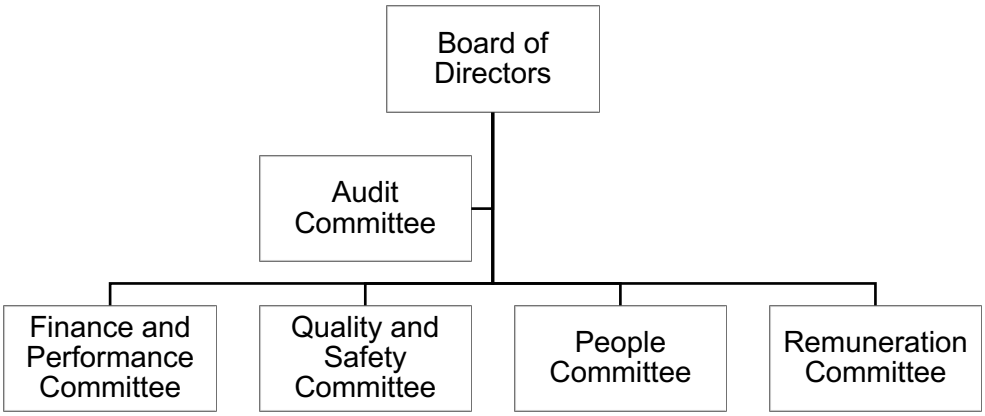
Silas Nicholls
Chief Executive and Accounting Officer

9 June 2021

How we are run

The Board of Directors is responsible for the overall leadership and strategic direction of the organisation. The board is comprised of executive and non-executive directors and further information on the directors is available on pages 21 to 23.

The board operates a committee structure, with each committee responsible for seeking assurance on matters within its purview. The established committee structure and a summary of their roles is set out below:



Audit Committee

Responsible for oversight of the financial reporting process, obtaining assurance around the systems of internal control, internal audit, counter-fraud and other corporate governance matters

Finance and Performance Committee

Responsible for seeking assurance on and having oversight of the finance and performance elements of the business and reviewing high level risks allocated to the strategic objective of performance

Quality and Safety Committee

Responsible for seeking assurance on and having oversight of the quality and safety elements of the business and reviewing high level risks allocated to the strategic objective of patients

People Committee

Responsible for seeking assurance on and having oversight of the people elements of the business and reviewing high level risks allocated to the strategic objective of people

Remuneration Committee

A statutory committee, responsible for determining the remuneration, allowances and other terms and conditions of the executive directors

The Council of Governors, made up of elected governors from our public and staff membership and appointed governors from our key stakeholders, has a number of statutory functions and two general duties – to represent the interests of members and the general public and to hold the non-executive directors to account for the performance of the board. More information on the Council of Governors is available on page 61.

Like many organisations across the UK, we have had to change how we operate as a result of COVID-19. In March 2020 we held our first board meeting by videoconference and as at the date of writing we have now moved to transacting all business via tele- or videoconferencing. Whereas we had previously held board meetings on a bi-monthly basis, we held these each month at the height of the pandemic to ensure that the board was sighted on the foundation trust's approach to the local management of COVID-19 and to ensure that all directors were aware of any risks facing the organisation. As we returned to a more business as usual approach, the frequency of the meetings returned to normal.

Our Company Secretary provides corporate governance leadership, advice and support to both the board and the council. The Company Secretary has a dual reporting structure, reporting to the Chair professionally and to the Chief Executive on day-to-day matters. This ensures that the post holder is able to advise the collective board as well as the executive and non-executive directors separately when required. We have policies in place to deal with matters such as gifts and hospitality, declarations of interest and anti-bribery matters and we have a Freedom to Speak Up Guardian in place in line with best practice.

The executive directors collectively form the executive management team which provides day-to-day leadership and management of the organisation. Each director has a portfolio of responsibilities and is supported by dedicated support structures.

We have a clear divisional management structure to coordinate and deliver high quality clinical care across four divisions, each headed by a divisional triumvirate comprising a Divisional Medical Director, a Divisional Director of Nursing and a Divisional Director of Operations. Other services are provided through our corporate services and our estates and facilities teams.

We employ 6,427 members of staff, all of whom play their part in delivering high quality, safe and effective patient care. Our quality report will be published separately this year and provides much more detail on the quality improvements we are pursuing. Once completed, a copy will be able to be obtained from our website or on request from the Company Secretary; please use the contact details on page 141.

Summary of our operational activity

The table overleaf summarises our activity during 2020/21, and the figures for 2019/20 are provided for comparison:

		2020/21	2019/20
Referrals	GP	58,446	87,389
	Other	69,466	89,222
	Total	**127,912**	**176,611**
In-patient activity	Elective/planned	2,925	7,610
	Day cases	20,717	38,204
	Non-elective	37,876	38,787
	Total	**61,518**	**84,601**
Outpatient activity	New appointments (attendances)	104,541	142,184
	Follow-up appointments (attendances)	275,273	342,483
	Total	**379,814**	**484,667**
Accident and emergency	**Total**	86,118	**97,447**
Walk-in centre	**Total attendances**	**25,513**	**44,777**

Please note that direct comparison with the prior year is not possible due to the impact of COVID-19 on activity during 2020/21

Social, community and human rights issues

We recognise the need to forge strong links with the communities we serve so that we are responsive to feedback and can develop our services to meet current healthcare needs.

We are committed to meeting our obligations in respect of the human rights of our staff and patients, which is closely aligned both to the NHS constitution and our values. As a public body, it is unlawful for us to act in any way which is incompatible with the European Convention on Human Rights unless required by primary legislation.

We have anti-fraud policies in place and further information is available within the staff report which begins on page 44 and within the annual governance statement which commences on page 70.

All our policies are reviewed on a regular basis and are subject to an equality impact assessment.

Equality of service delivery to different groups

As an NHS organisation, we aim to provide our services to all groups equally. We are subject to the public sector equality duty, which was introduced as part of the Equality Act 2010 and requires NHS organisations to eliminate unlawful discrimination, advance equality of opportunity and to foster good relations. We do this in different ways:

- Our patient information leaflets are available online, in hard copy and can be provided in different formats such as large print, braille and in various languages
- We provide access to face-to-face British Sign Language interpreters which is available in our Emergency Department on a video remote access basis
- Our online appointment booking webpage and telephone operators seek information about communication or other information needs

We have also implemented the Equality Delivery System (EDS2) set out by the Department of Health and Social Care. Every year we are required to assess our performance against EDS2 and we review a number of outcomes each year to ensure that we look at all outcomes over a period of time. The EDS2 toolkit is structured around four goals, two of which relate to patients and two which relate to workforce. There are a total of 18 specific outcomes across these four areas and for each outcome there are four possible grades:

- *Underdeveloped* – people from all protected groups fare poorly compared with people overall
- *Developing* – people from only some protected groups fare as well as people overall
- *Achieving* – people from most protected groups fare as well as people overall
- *Excelling* – people from all protected groups fare as well as people overall

Two service delivery outcomes were last reviewed in March 2020 and the review was informed by the following:

- A report of engagement conducted with Leigh Deaf Club;
- A patient experience survey conducted with the Wigan Pride team;
- A review of the Urgent and Emergency Care Survey undertaken by the Picker Institute;
- A report entitled “A week in A&E” undertaken by Healthwatch Wigan and Leigh;
- A review of equality impact assessments; and
- A review of the results of a black, Asian and minority ethnic group patient experience survey relating to cancer services

The review found that we were achieving the requirements in relation to services being designed and delivered to meet the health needs of local communities and that we were developing in relation to handling complaints respectfully and efficiently.

The review highlighted areas of good practice, such as the availability of a mental health urgent response team and direct access to the learning disability liaison team as well as a dedicated Independent Domestic Violence Advisor role. In response to the feedback we received, we have introduced long-range pagers in the Emergency Department for hearing impaired patients who cannot always hear their name being called. We have also designed a dedicated form in collaboration with the local deaf community, which means that the local deaf community know what questions the receptionist is going to ask and can provide these on the form when they attend.

Our Emergency Department also offer regular tours of the department for people with learning difficulties and their families so that they are familiar with the department in case they have to attend. A learning disability link nurse also participates in these visits and will work with patients with learning disabilities and autism if they need to attend for elective procedures or outpatient appointments. They can also produce bespoke paperwork for these patients to help them actively participate in their care and for patients with more complex needs, multidisciplinary planning meetings take place to reduce the likely distress of visiting the hospital.

More information about our work on equality and diversity is available at **wwl.nhs.uk/equality-and-diversity**

Financial performance

The 2020/21 financial year has been largely shaped by the COVID pandemic. The formal planning process for 2020/21 was suspended by NHS England and NHS Improvement, followed by the suspension of the Payment by Results (PBR) income system which is the system that pays acute providers for the provision of heath care services.

During the first six months of the year NHS England and NHS Improvement funded providers for all reasonable expenditure incurred, meaning expenditure would be matched by an equal amount of income. On that basis we were therefore fully reimbursed and at the end of September we reported a breakeven position.

Income allocation changed for the second half of the year and we received a set value of income distributed via the Greater Manchester Integrated Care System (ICS). The ICS also set surplus/deficit targets for all trusts within the system. At the end of the financial year, we are reporting a deficit of £12.6m, which is an £8.0m improvement on the target set by the ICS. The deficit was predominantly driven by the reference period used by NHS England and NHS Improvement to calculate the block funding payment. The reference period did not include additional recurrent expenditure incurred at the end of FY2019/20 associated with recruitment to safe staffing levels, and some non-recurrent income. We highlighted these issues to NHS England and NHS Improvement and to Greater Manchester and received £4.3m system realignment funding from Greater Manchester to partially address the expenditure baseline.

During the year the capital regime also changed and, for the first time since becoming a foundation trust, a limit was placed on capital expenditure. A Capital Departmental Expenditure Limit (CDEL) was set, again via the Greater Manchester ICS, at £21.5m. We actually incurred £24.5m of capital expenditure – £3.0m more than the CDEL limit – however this overspend was authorised by the ICS.

During the year we received additional funds to spend on capital schemes by way of Public Dividend Capital (PDC). In total £10.4m of PDC was received, taking the total capital spend in-year to £34.9m, with a further £0.8m of donated assets.

Income

We generated £454.8m of income in 2020/21 compared with £397.6m in 2019/20; an increase of £57.2m or 14%.

In the first half of the year, NHS England and NHS Improvement introduced a block payment to replace the usual PBR national tariff payment architecture for clinical income. This included a top up system to ensure a break-even position, to ease the administrative/transactional burden on organisations and to ensure financial sustainability during periods of reduced planned activity due to COVID-19.

Whilst the block payment method remained in the second half of the year, the top up process changed and we were allocated a fixed funding envelope from the Greater Manchester ICS which replaced the expenditure reimbursement model.

The increased income of £57.2m compared to 2019/20 can predominantly be explained by a number of items. £41.5m of this increase relates to top up funding received from NHS England and NHS Improvement, £8.9m relates to inflation included on the block contracts, £4.3m additional funding was received from Greater Manchester for system realignment and a further £6.4m was donated for PPE consumables to aid our COVID-19 response. In addition, local authority income reduced by

£12.5m in 2020/21 due to 2019/20 having included one-off funding from Wigan Borough CCG for the transfer of community services and system wide resilience.

Principal and non-principal income

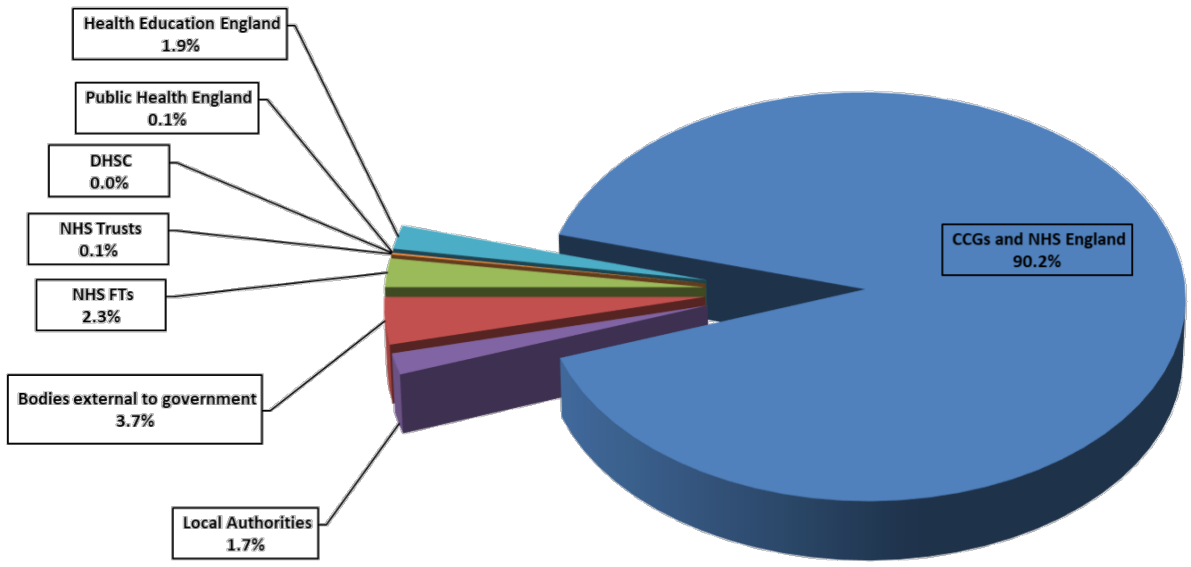
As a foundation trust, the income we receive from the provision of goods and services for the purposes of the health service in England (often referred to as our "principal purpose") must be greater than the income we receive from the provision of goods and services for any other purposes (which we have termed "non-principal income"). The table below demonstrates our compliance with this requirement.

	2020/21 £000	2019/20 £000
Non-principal Income	14,191	15,192
Total income	454,790	397,622
Non-principal income as a % of all income	**3.1%**	**3.8%**

The directors consider that the income received otherwise than from the provision of goods and services for the purposes of the health service in England has not had an impact on the provision of goods and services for those purposes.

Income by source

The chart below shows the split of our income by source during the year. The majority of income is received from government bodies with only 3.7% of income received from bodies outside of the government.



Income from patient care activities

Income generated from the provision of patient care totalled £383.6m in 2020/21, compared with £362.3m in 2019/20; an increase of £21.2m (6%). The main increase relates to the additional funding received for COVID-19 and system top up in the second half of the year (system top up in the first half of the year and COVID-19 funding was categorised as other operating income in line with national guidance). Wigan Borough Clinical Commissioning Group remains the largest commissioner of services, contributing 54% (£246m) of our overall income compared to 60% (£239m) in 2019/20.

Income from patient care (by nature)

	2020/21 £000	2019/20 £000
Acute services		
Block contract/system envelope income*	309,994	278,197
High-cost drugs income from commissioners	547	11,027
Other NHS clinical income**	10,101	4,524
Community services		
Block contract/system envelope income*	37,644	38,452
Income from other sources (e.g. local authorities)	6,180	16,042
All trusts		
Private patient income	2,350	3,804
Additional pension contribution central funding	10,308	9,248
Other clinical income***	6,464	1,049
Total income from patient care activities	**383,588**	**362,343**

* Block contract/system envelope income for 2019/20 includes income previously categorised as other NHS clinical income as per national guidance to make it comparable with the block contract/system envelope income for 2020/21

** Other NHS clinical income includes FT income and CCG and NHSE funding received outside the block including nurse recruitment funding, funding for clinicians pension tax and pass through system realignment funding

*** Other clinical income includes Flowers case funding, additional annual leave funding, system support from the local authority and road traffic collision income

Other operating income

Other operating income received for the year was £71.2m compared to £35.2m in 2019/20, which is an increase of £35.9m. £33m of this increase relates to the month 1-6 system top up and COVID-19 funding. This increase is largely attributable to the system top up and COVID-19 funding (£41m) which was been offset by the decrease in Provider Sustainability Fund and Financial Recovery Fund income (£8.2m) which we did not receive this year.

Expenditure

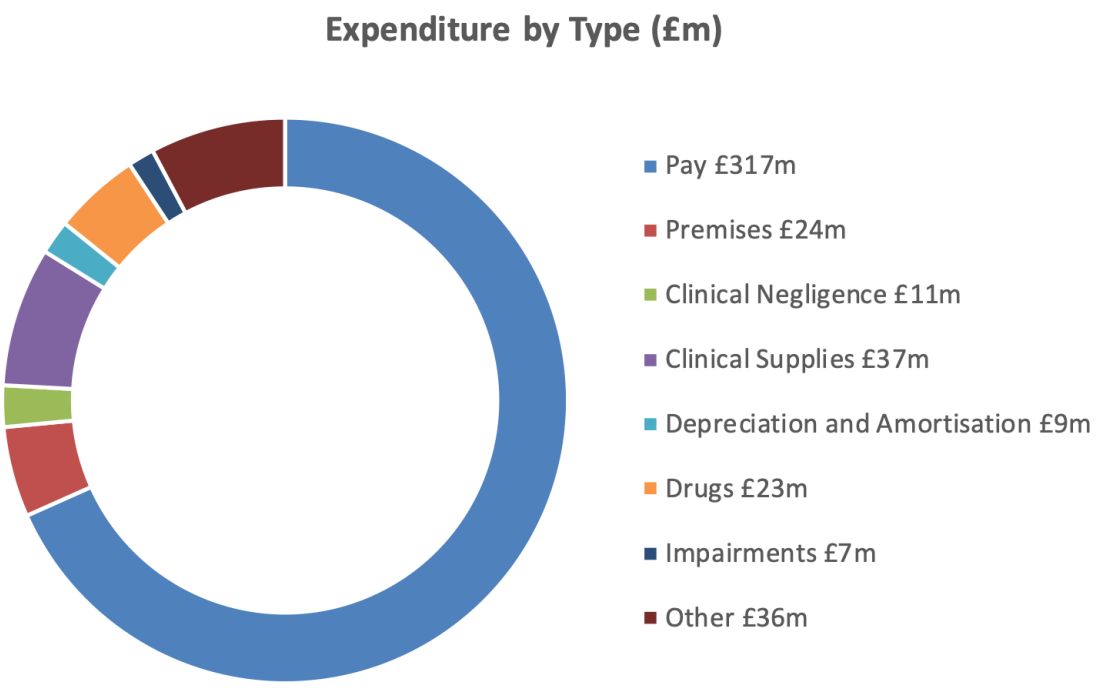
Total operating expenditure for the year was £463.8m (including impairments) compared to £393.7m in 2019/20, which is an increase of £70.1m (18%). £33.0m of this increase was due to expenditure directly attributed to the COVID pandemic for which we received additional income. The investment in nursing staff and allied health professionals, together with additional bank and agency staffing,

accounts for £15m. A further £6.0m of PPE consumables was donated for the COVID response and is recorded within expenditure. There was an increase of £10.0m on the previous year for pay awards and incremental drift and additional impairment costs account for £3.6m of the increase.

Pay was the largest expenditure item at £317.0m (2019/20: £266.0m) which is 68% of total expenditure. Within this figure, the amount spent on registered nursing, midwifery and health visiting staff remains the most significant at £90.0m (2019/20: £78.0m) which has increased due to COVID and recruitment initiatives to fill vacant posts.

The largest items of non-pay expenditure included £22.6m spent on drugs (2019/20: £22.4m), £37.4m on clinical supplies (2019/20: 35.5m), £11.2m on clinical negligence premiums (2019/20: £10.9) and £24.3m in premises costs (2019/20: £18.5m). Depreciation and amortisation of £8.7m and net impairments of £6.5m are included in the overall expenditure figure.

The following graph shows the main categories with the total reportable expenditure:



Cost improvement plans

The cost improvement programme, internally known as service and value improvements, was suspended in 2020/21 to allow operational managers to focus on the planning and delivery of our response to COVID-19.

Capital investment programme

During the year we completed £35.7m of capital investments including £0.8k of donated assets (2019/20: £26.5m), which have significantly improved services for both patients and staff. A summary of the capital investments undertaken in the year is provided below:

Capital investment scheme	Investment benefits	£000k
Community Ward	Investment in a new ward on the Royal Albert Edward Infirmary site that is a same day care assessment unit which will assist in reducing A&E attendances.	7,075
CHIP	A joint initiative with Wigan Borough Council, CHIP is an investment in assets outside of the hospital. This scheme will help stem demand into the hospital and improve the overall health and wellbeing of the locality.	3,066
Theatre Refurbishment	A complete replacement of the ventilation systems for number of theatres at Royal Albert Infirmary for the continued safety of patients requiring surgery.	1,992
IM&T	The continued development of the Health Information System (HIS) platform providing rapid and seamless access to patient information (software and hardware) and the continued investment in IT systems.	4,186
Medical Equipment	The continued investment in medical equipment, including a new CT scanner, at Royal Albert Edward Infirmary.	6,188
Energy Efficiency Schemes	Purchase and installation of energy efficient heating and lighting systems.	1,312
COVID19	During the year we purchased several pieces of equipment to support the treatment of patients being admitted to hospital as a result of COVID-19.	819
Site improvements, upgrades and maintenance	Improvements and upgrades to our sites.	4,208
Bryn Ward	A purpose-built isolation ward to treat patients admitted to hospital as a result of covid19.	5,393
Lakeside Step down facility	Investment in a new ward on the Leigh site which will become a step-down facility for patients discharged from acute wards.	1,441
	TOTAL (including donated assets)	**35,680**

Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Silas Nicholls
Chief Executive and Accounting Officer

9 June 2021

ACCOUNTABILITY REPORT.

ACCOUNTABILITY REPORT

Directors' report

Our board of directors operates according to the highest corporate governance standards. It is a unitary board and has a wide range of skills and experience. The non-executive directors have wide-ranging expertise and experience, including backgrounds in finance, primary care and education. The board considers that it is balanced and complete in its composition, and appropriate to the requirements of the organisation. The directors are responsible for preparing the annual report and accounts each year.

Robert Armstrong, Chair (Independent) | Appointment 1 Nov 2014 to 31 Oct 2021

Robert has extensive experience in senior management roles, most recently with BT. He has led on the development of joint venture companies across Europe and the United States and is a passionate advocate of the "customer-led" approach.

Silas Nicholls, Chief Executive | Permanent post

Having previously been our Director of Strategy and Deputy Chief Executive, Silas returned to WWL as our Chief Executive in October 2019. He began his NHS career as a graduate management trainee and brings with him a wealth of experience from a number of operational and strategy roles across the north west and previous experience as the Chief Executive of two large NHS organisations.

Prof Sanjay Arya, Medical Director | Permanent post

Sanjay is a consultant interventional cardiologist by background, with interests in coronary artery disease, coronary intervention, heart failure, arrhythmia, syncope and cardiac assessment for non-cardiac surgery and professional footballers. Sanjay was appointed Honorary Professor in Health and Wellbeing at the University of Bolton and is also the Undergraduate Clinical Lead for Edge Hill University's Medical School.

Prof Clare Austin, Non-Executive Director (Independent) | Appointment 1 May 2019 to 30 April 2022

Clare is the Associate Dean for Research and Innovation and the Director of Medical School at Edge Hill University as well as the Chair of the Management Group of the Postgraduate Medical Institute. A Senior Fellow of the Higher Education Academy, Clare holds a BSc and PhD in Pharmacology and has been involved in medical education for many years. She is particularly interested in the use of reflective learning in personal and professional development.

Lady Rhona Bradley, Non-Executive Director (Independent) | Appointment 1 Dec 2019 to 31 Nov 2022

Rhona has 25 years' experience in the criminal justice system with the National Probation Service in Greater Manchester and Cheshire and led the establishment of multi-agency youth offending services in Halton and Warrington Borough Councils. She has held a number of roles in social services, including director roles in both adult and children's services. Currently Chief Executive of Addiction Dependency Services, Rhona was appointed a Deputy Lieutenant for Greater Manchester in 2010.

Alison Balson, Director of Workforce | Permanent post

Alison has extensive experience in managing human resources services and has worked in the NHS for over 15 years. She is committed to demonstrating the link between staff engagement, organisational performance and patient satisfaction. Alison genuinely believes in partnership working and the need to work collaboratively with trade union partners.

Ian Boyle, Chief Finance Officer | Permanent post

Ian is a qualified accountant and has more than 26 years' experience in NHS finance. He is a Fellow of the Chartered Institute of Public Finance and Accountancy and has worked in trusts, CCGs and NHS regulatory bodies, with the last nine years at board level. Ian is passionate about finance staff development and is the Chair of the Healthcare Financial Management (HFMA) North West branch committee. He also has a keen interest in strategic financial planning in support of quality and transformation.

Dr Steven Elliot, Non-Executive Director (Independent) | Appointment 1 Apr 2018 to 31 Mar 2021

Steven has worked as a GP since 1983 and has been partner, both single handed and salaried. He was a GP with special interest in headaches at Salford Royal NHS Foundation Trust from 2004 to 2014 and spent 4 years as Associate Medical Director at NHS Salford PCT. Steven was Regional Director for commercial company Primecare UK and Chair of Community Based Strategy Group at NHS Salford CCG. He is currently a professional adviser for NHS England and a Non-Executive Director of a Community Interest Company.

Mary Fleming, Deputy Chief Executive | Permanent post

Mary has a strong patient-focused operational background with extensive experience in leading service improvement and innovation across a variety of clinical disciplines in both the public and private sector. Mary was appointed as Deputy Chief Executive on 1 April 2021, having been our Chief Operating Officer prior to this. Mary retains her original responsibilities for operations and IM&T and has additional responsibilities as part of her role as Deputy Chief Executive.

Mick Guymer, Non-Executive Director (Independent) | Appointment 1 Aug 2015 to 31 Jul 2021

Mick is a qualified accountant who has worked in the NHS for 40 years, with the last 20 years being in Director of Finance roles. He also spent almost 10 years as Project Director of a £500m private finance initiative to re-develop the Central Manchester site and relocate the Manchester Children's Hospitals.

Ian Haythornthwaite, Non-Executive Director (Independent) | Appointment: 9 Apr 2018 to 8 Apr 2021

Ian is the Chief Operating Officer for BBC Nations and Regions, prior to which he was the Deputy Chief Executive of the North West Development Agency with responsibility for development of the Cumbria Economic Strategy. He has also previously held the role of Pro-Vice-Chancellor of the University of Central Lancashire.

Lynne Lobley, Senior Independent Director (Independent) | Appointment 26 Mar 2018 to 25 Mar 2021

Lynne's background is in education and most recently she was a member of the Senior Management Team at the Cheshire and Mersey Deanery. She has also been a member of the Deanery Integration Board and the Local Workforce Action Board. She has 20 years' experience as a NED in four very different trusts. Lynne is passionate about creating a joined up, sustainable health and social care service for the future.

Richard Mundon, Director of Strategy and Planning | Permanent post

Richard is an experienced public servant who has spent the majority of his career in the health sector. He spent 25 years with the Department of Health across a range of policy, management and corporate disciplines. He has experience of leading large change processes and developing performance management and planning regimes.

Francine Thorpe, Non-Executive Director (Independent) | Appointment 1 May 2021 to 30 Apr 2024

Francine is a physiotherapist by background and until March 2021 was the Director of Quality and Innovation at Salford Clinical Commissioning Group. She brings significant experience of working at board level as well as the development of integrated health and care services. Over the past 12 months she has been leading some work around mortality reviews to understand the impact of COVID-19 on widening inequalities and how this can be minimised. As well as her commissioning expertise, she has experience of working across both acute and community health services.

Rabina Tindale, Chief Nurse | Permanent post

Rabina is dual qualified RN and RSCN with a clinical background in emergency care. Rabina firmly believes outstanding care can only be delivered through investing in our staff, providing a psychologically safe environment to work in and enabling them to reach their full potential. Rabina is an advocate for human factors in healthcare and is passionately committed to the equality, diversity and inclusion agenda.

The following individuals were also directors of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust during 2020/21:

- Ged Murphy (Acting Chief Finance Officer to 30 September 2020)
- Morag Olsen (Interim Chief Nurse from 9 November 2020 to 21 February 2021)
- Helen Richardson (Chief Nurse to 31 October 2020)
- Tony Warne (Non-Executive Director and Vice-Chair to 14 May 2021)

More information about our directors and the work of the board is available at **wwl.nhs.uk/board-and-board-papers**

All directors are required to comply with the requirements of the fit and proper persons test and are required to make an annual declaration of compliance in this regard.

Appointment and removal of non-executive directors (including the Chair)

Appointment and, if appropriate, removal of non-executive directors is the responsibility of the Council of Governors. When appointments are required to be made, usually for a three-year term, a Nomination and Remuneration Committee of the council oversees the process and makes recommendations as to appointment to the full council. The procedure for removal of the Chair and other non-executive directors is laid out in our constitution which is available on our website or on request from the Company Secretary.

This year, the Council of Governors set about recruiting Robert Armstrong's successor. In doing so, the Nomination and Remuneration Committee consciously allowed a significant period between the identification of the new Chair and the end of Robert's term of office. This ensured flexibility in case elements of the process needed to be repeated and provided a period of time to allow the successful candidate to get to know the organisation and our key partners before taking up post.

Following a competitive recruitment process, Mark Jones was identified as our new Chair. Mark was formerly a Non-Executive Director at Liverpool Heart and Chest Hospital NHS FT and prior to this he was an accomplished leader in the pharmaceutical sector. He has previously held roles including Company President for national companies in Germany, Canada and the UK and was most recently Astra Zeneca's Regional Vice-President for Southern Europe.

Mark's appointment was made by the Council of Governors on 22 April 2021. The NHS Foundation Trust Code of Governance requires that a Chair's other significant commitments are disclosed to the Council of Governors before appointment and Mark has complied with this. The Council of Governors noted that Mark acts as an advisor to the board of Footprint Solutions Limited on a remunerated basis, with a time commitment of around 0.25 to 0.5 days per month.

Mark will take up post on 1 November 2021. That said, he has already started to come into the organisation and will use the period until he takes up post to meet staff, visit sites and observe meetings. Until he takes up post in November, Mark will be known as the Chair Designate as he is not formally a member of the board and he does not take part in decision-making.

During the year we also appointed a replacement for Tony Warne, who had served seven years as a Non-Executive Director. Following the conclusion of the same robust recruitment approach as for the Chair, the Council of Governors appointed Francine Thorpe to the board on 22 April 2021. Francine is a physiotherapist by background and was the Director of Quality and Innovation at NHS Salford Clinical Commissioning Group. Francine has significant experience of working at board level and has previously chaired a Quality and Safety Committee and a Safeguarding Children Board, as well has having experience in community services. Francine took up post on 1 May 2021.

Division of responsibility

There is a clear division of responsibilities between the Chair and the Chief Executive which is set out in writing as part of a statement of responsibilities within the foundation trust and has been approved by the board. The Chair ensures that the board has a strategy which delivers a service that meets and exceeds the expectations of the communities we serve and that the organisation has an executive team with the ability to deliver the strategy. The Chair facilitates the contribution of the non-executive directors and their constructive relationships with the executives. The Chief Executive is responsible for the leadership of the executive team and for implementing our strategy and delivering our overall objectives, and for ensuring that we have appropriate risk management systems in place.

Declarations of interest

All directors have a responsibility to declare relevant interests as defined within our constitution. These declarations are made to the Company Secretary, reported formally to the board, and entered into a register which is available to the public. A copy of the register is available on our website or on request from the Company Secretary.

The statement of responsibilities within the foundation trust and the register of directors' interests can be found at **wwl.nhs.uk/corporate-governance**

Independence of directors

The non-executive directors bring strong, independent oversight to the board and all non-executive directors are currently considered to be independent. We are committed to ensuring that the board is made up of a majority of independent non-executive directors who objectively challenge management.

The Council of Governors is responsible for all decisions to reappoint non-executive directors and is supported in its consideration by the recommendations it receives from the Nomination and Remuneration Committee. Any recommendation to reappoint a non-executive director beyond six years follows detailed scrutiny to ensure the continued independence of the individual director and, generally speaking, such terms of office are avoided unless there are exceptional grounds for them to be considered. Any non-executive director appointed beyond six years is subject to annual reappointment and the maximum term of office is nine consecutive years.

The board has reserved certain powers and decisions to itself; these are set out in the Schedule of Matters Reserved to the Board of Directors. This details the roles and responsibilities of the Board of Directors, the Council of Governors and committees of the board.

The foundation trust is able to make arrangements for the exercise of any of its powers by a committee of directors or by individual directors, subject to such restrictions and conditions as the board thinks fit. Standing Orders set out the arrangements for the exercise of such powers under delegation.

Attendance summary

The table overleaf shows the attendance at board meetings for all directors in post during the 2020/21 financial year.

Name of director	A	B	Percentage attendance
Robert Armstrong, Chair	8	8	100%
Silas Nicholls, Chief Executive	8	8	100%
Sanjay Arya, Medical Director	7	8	88%
Claire Austin, Non-Executive Director	8	8	100%
Alison Balson, Director of Workforce	8	8	100%
Ian Boyle, Chief Finance Officer (from 1 Oct 2020)	3	3	100%
Rhona Bradley, Non-Executive Director	8	8	100%
Steven Elliot, Non-Executive Director	8	8	100%
Mary Fleming, Deputy Chief Executive	8	8	100%
Mick Guymer, Non-Executive Director	8	8	100%
Ian Haythornthwaite, Non-Executive Director	6	8	80%
Lynne Lobley, Non-Executive Director	8	8	100%
Richard Mundon, Director of Strategy and Planning	8	8	100%
Ged Murphy, Acting Chief Finance Officer (to 30 Sep 2020)	5	5	100%
Morag Olsen, Interim Chief Nurse (from 9 Nov 2020 to 21 Feb 2021)	2	2	100%
Helen Richardson, Chief Nurse (to 31 Oct 2020)	5	5	100%
Rabina Tindale, Chief Nurse (from 15 Feb 2021)	1	1	100%
Tony Warne, Non-Executive Director	8	8	100%

A: number of meeting attended
B: number of meetings the director could have attended

Evaluating performance and effectiveness

The board usually undertakes a review of its performance and effectiveness each year and this provides a useful opportunity to take a step back and reflect. This year we have undertaken this activity more dynamically throughout the year, in response to the changing COVID-19 pandemic and the tightening and loosening of restrictions and the impact of changing case numbers on service provision. We flexed our approach to leading the organisation and undertook regular stock takes of our current position, implementing changes as needed.

Towards the end of 2019/20 we developed a new approach to committees and this was introduced partway through the year. Under the new working arrangements, committees meet bi-monthly by default and we will be developing a number of key triggers which will set out when the frequency of meetings needs to be reviewed. In addition, we have moved away from all executive directors attending all meetings and moved towards the executive team taking a more holistic approach, whilst retaining the presence of those executives with lead responsibilities for the portfolios within the purview of each committee.

We were due to undertake our next externally-facilitated well-led review during the year, however this was necessarily postponed due to COVID-19. In doing so, we recognised that we had completed the action plan arising from the previous review and that a short delay was unlikely to be detrimental, particularly given the context in which the organisation was operating.

A robust appraisal process is in place for all directors and other senior executives. The Chair appraises the Chief Executive, and the Chief Executive carries out performance reviews of the other executives. These reports are then submitted to the Remuneration Committee for consideration.

The Chair undertakes the performance review of non-executive directors using our non-executive director competency framework and the outcomes of these appraisals are reported to the Council of Governors. During 2020/21, as in previous years, the performance review of the Chair was led by the Senior Independent Director in accordance with a process agreed by the Council of Governors. The outcome was then reported to the council by the Senior Independent Director.

Understanding the views of governors and members

Directors develop an understanding of the views of governors and members about the organisation through attendance at members' events, attendance at Council of Governors meetings and attending the annual members' meeting. The Chair also has regular discussions with the lead governor and two-way communication is facilitated, either directly or through the Company Secretary.

Mandatory declarations required within the directors' report

- We have complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.
- A statement describing adoption of the Better Payment Practice Code is included within the accounts.
- No interest or compensation was paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2020/21 or 2019/20.
- More information on the arrangements that are in place to ensure that services are well-led can be found in our annual governance statement.
- Income disclosures as required by section 43(2A) of the National Health Service Act 2006 are included within the performance report.
- Fees and charges levied by the foundation trust did not exceed £1m and were not otherwise material to the accounts
- Each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS foundation trust's auditor is aware of that information.

In making these declarations, the directors confirm that they have made such enquiries of their fellow directors and of the foundation trust's auditors for that purpose, and taken such steps (if any) for that purpose, as are required by their duty as a director of the foundation trust to exercise reasonable care, skill and diligence.

REMUNERATION REPORT

I am pleased to present the remuneration report for the financial year 2020/21 on behalf of the foundation trust's two remuneration committees.

As set out in legislation, the Remuneration Committee has been established by the Board of Directors to determine the remuneration, allowances and other terms and conditions of office of the executive directors.

Whilst the Council of Governors is ultimately responsible for determining the remuneration, allowances and other terms and conditions of office of the non-executive directors, it has established the Nomination and Remuneration Committee to consider these matters in detail and to present recommendations to the full Council for consideration at a general meeting.

Within this report, the term "senior manager" is used. Guidance issued by NHS Improvement defines senior managers as "those who influence the decisions of the NHS foundation trust as a whole rather than the decisions of individual directorates or sections within the NHS foundation trust". As a result, only voting and non-voting members of the Board of Directors have been treated as senior managers for the purpose of this report.

In accordance with the requirements of the HM Treasury Financial Reporting Manual and reporting requirements issued by NHS Improvement, this report has been divided into three parts:

- the **annual statement on remuneration**, which sets out the major decisions on senior managers' remuneration as well as any substantial changes to senior managers' remuneration which were made during the year and the context in which those changes occurred and decisions have been taken;

- the **senior managers' remuneration policy**, which sets out information about our policy in a standardised format across the sector; and

- the **annual report on remuneration** which includes details about the directors' service contracts and sets out other matters such as committee membership, attendance and the business transacted.

Annual statement on remuneration

The two remuneration committees aim to ensure that both non-executive and executive directors' remuneration is set appropriately, taking into account relevant market conditions. As Chair of the foundation trust, I chair both of these committees except when my own remuneration or terms of service are under consideration, at which point I withdraw from the meeting and take no part in the discussions or decision-making.

Non-executive directors

NHS Improvement has published guidance on the remuneration of chairs and non-executive directors of NHS foundation trusts and NHS trusts. This guidance acknowledges that whilst there are 150 foundation trusts in existence, they are not necessarily the largest or most complex NHS organisations and argues that there is essentially no distinction between the services provided by NHS trusts and NHS foundation trusts, nor in their respective responsibilities, yet there is significant variation in the level of remuneration paid to non-executive directors. The guidance was therefore

issued in an attempt to standardise remuneration across the NHS and for the level of chairs' remuneration to be informed by the size of the organisation's turnover.

Whilst recognising that as an autonomous foundation trust there is no requirement to comply with the guidance, the Council of Governors has nonetheless agreed to follow it and considers this to be the market-tested remuneration information required to be considered at least once every three years. As a result, no in-year increases were applied to the remuneration of the chair or the non-executive directors as all were already paid slightly above the levels set out in the guidance. The Council of Governors also agreed that all new chair and non-executive director appointments would be made in accordance with the recommendations contained in the guidance and this was implemented during the year.

For those existing non-executive directors who are eligible to be appointed for a further term of office, the guidance recommends that their remuneration is aligned to the guidance at the time of reappointment. The Council of Governors agreed that it would consider this issue on a case-by-case basis, taking into account the need to retain talented individuals and to ensure an appropriate skill mix around the board table. As a result, the three non-executive directors who were reappointed in-year retained their previous level of remuneration.

Executive directors

Our Chief Executive was appointed in 2019 on a spot salary which was set at the median average of NHS Improvement's established pay range for medium-sized acute NHS organisations. We have reviewed that salary in-year and uplifted it to take account of performance in post and comparative data.

As a Consultant Cardiologist, the Medical Director is employed in accordance with the 2003 Consultant terms and conditions. He receives a management allowance for his non-clinical responsibilities which include acting as Medical Director, and this was uplifted by £253 (1.03%) to £24,795 per annum from 1 April 2020.

The remaining executive directors are employed on set scales of remuneration, which operate in the same way as Agenda for Change does for other staff. There is no guarantee of receiving an increment and any increase is based on performance in post.

During the year we have developed an Executive Remuneration Framework which applies to all executive director posts. Under the framework there are four pay scales on which all new appointments will be made, as well as a legacy pay scale for those executive directors in post as at 31 August 2019

The four pay scales, all of which are based on benchmarking data provided by NHS England and NHS Improvement are:

- Non-voting director
- Voting director
- Chief Finance Officer
- Deputy Chief Executive

The executive remuneration framework seeks to replicate the arrangements in place for the majority of our people who are employed under Agenda for Change terms and conditions and to provide additional transparency around executive remuneration. Each pay scale comprises three pay points and postholders remain on each pay point for two years, or longer in the event that necessary performance objectives are not met.

Progression to the next pay point also requires the following:

- Completion of all mandatory training for the previous financial year by 31 March;
- Satisfactory completion of a fit and proper person declaration in respect of the current financial year;
- Satisfactory Disclosure and Barring Service Check dated within the current financial year for those posts subject to this requirement;
- A completed declaration of interests in line with the foundation trust's policy or a nil declaration dated within the current financial year; and
- A completed declaration of gifts and hospitality received in the previous year, or a nil declaration where this is not applicable.

Those executive directors in post as at 31 August 2019 retain their historic pay arrangements. Each pay scale is uplifted each year by the nationally recommended uplift for posts subject to Very Senior Manager pay arrangements, and in 2020/21 this uplift was 1.03%.

We have included earn back arrangements in contracts for all post holders who commenced employment after November 2020 and will continue to incorporate this for all new appointments. Under this scheme, up to 10% of the post holder's remuneration each year is subject to earn back arrangements in line with the foundation trust's policy. This means that if their performance in post is not satisfactory, their remuneration may be reduced by up to 10% in the following year. The post holder would need to return to satisfactory performance to earn back that element of salary for the next financial year.

Those executive directors who have remained on historic pay arrangements are entitled to an additional car allowance payment of £6,945. This has been discontinued for all new appointments and there are now only two executive directors who receive this benefit.

Robert Armstrong
Chair

9 June 2021

Senior managers' remuneration policy

The table below sets out the component parts of our remuneration package for senior managers which comprises the senior managers' remuneration policy:

Element of pay	Purpose and link to strategy	How operated	Maximum opportunity	Description of performance metrics	Changes from previous year
Executive directors' base salary	To help promote the long-term success of WWL and retain high calibre executive directors	Salary scales set out in the Executive Remuneration Framework Progression to next pay point based on performance in post and other criteria Annual increases in line with national VSM pay recommendations	Pay scales are based on established pay ranges published by NHS England and NHS Improvement, and these are reviewed periodically. Post holders move one point every two years, subject to satisfactory performance in post.	Personal objectives are set at the start of each year.	Executive Remuneration Framework in place which introduces four new pay scales, incorporates earn back, and requires adherence with national VSM pay recommendations.
Executive directors' taxable benefits	To help promote the long-term success of WWL and retain high calibre executive directors	Benefits for executive directors include: Personal car allowance for those on historic pay arrangements Pension-related benefits (annual increase in NHS pension entitlement).	There is no formal maximum	N/A.	Personal car allowance no longer offered for new appointments
Executive directors' pension	To help promote the long-term success of WWL and retain high calibre executive directors	We operate the standard NHS pension scheme without any exceptions	As per standard NHS pension scheme	N/A	No change

Element of pay	Purpose and link to strategy	How operated	Maximum opportunity	Description of performance metrics	Changes from previous year
Non-executive directors' fees (including the Chair)	To attract and retain high quality and experienced non-executive directors	The remuneration of the non-executive directors is set by the Council of Governors having regard to guidance issued by NHS England and NHS Improvement. Non-executive directors do not participate in any performance-related schemes nor do they receive any pension or private medical insurance or taxable benefits	As determined by the Council of Governors, based on national guidance.	N/A	No change.
Other fees payable to Non-Executive Directors or other items that are considered to be remuneration in nature	To attract and retain high quality and experienced non-executive directors	Prior to 2019/20, enhancements to the standard Non-Executive Director remuneration were paid for to the Vice-Chair, the Senior Independent Director, the Audit Committee Chair and those who chaired committees. Existing post holders will retain enhancements until they are considered for reappointment; decisions for new appointments will be made in line with national guidance.	Vice Chair: £4,490 Senior Independent Director: £4,490 Audit Committee Chair: £3,360 Committee chairs: £350	Enhancements were applied on appointment to the additional role. New appointments will be made in line with national NHS guidance on the remuneration of chairs and non-executive directors.	No change.

During the year, 2 senior managers were paid more than £150,000. Benchmark salary information for comparative jobs within the NHS was considered at the time of appointment and it was concluded that the remuneration agreed was appropriate and reasonable for the current post holder.

There are currently no provisions within directors' terms and conditions of employment to allow for the recovery of any sums paid to directors or for withholding the payments of sums to senior managers. The Remuneration Committee will be reviewing this during 2021/22.

Policy on diversity and inclusion

We are committed to the principles of diversity and inclusion and we recognise the importance of having a board that is made up of people from different backgrounds and with varied characteristics. We have agreed a policy on board diversity and inclusion which both the Remuneration Committee and the Nomination and Remuneration Committee will use when considering board-level appointments.

The policy has at its heart the objective of ensuring that diversity and inclusion are taken into consideration when evaluating the skills, knowledge and experience needed for each board-level vacancy and that our recruitment processes encourage the emergence of candidates from diverse backgrounds. This is in line with our wider organisational strategy which gives a firm commitment that everyone will have the opportunity to achieve their purpose.

During 2020/21 we have appointed five directors and three of the appointed candidates were female. As a result, the board is made up of 40% female directors and 60% male directors (2019/20: 40% female and 60% male). 2 of our directors (13%) are from a black, Asian or minority ethnic background.

Service contract obligations

The contracts of employment for all executive directors are permanent, continuation of which is subject to regular and rigorous reviews of performance. There are no obligations on the foundation trust which could give rise to, or impact on, remuneration payments or payments for loss of office not disclosed elsewhere in this report.

Policy on payment for loss of office

All executive directors' contracts contain a notice period of three months, with the exception of the Chief Executive's contract which contains a six-month notice period. If loss of office were to be on the grounds of redundancy, this would be calculated in line with Agenda for Change methodology and consistent with NHS redundancy terms and maximum caps. Loss of office on the grounds of gross misconduct would result in summary dismissal without payment of notice.

Statement of consideration of employment conditions elsewhere in the foundation trust

In setting the remuneration policy for senior managers, consideration was given to the pay and conditions of employees on Agenda for Change and relevant national guidance. In determining non-incremental pay uplift for executive directors and other senior managers, consideration is given to any national pay award decisions and to appropriate national guidance.

Annual report on remuneration

Information on each senior manager's service contract, correct as at the date of signing, is provided in the tables below:

Executive directors

Name	Role	Start date	Unexpired term	Notice period
Silas Nicholls	Chief Executive	28 Oct 2019	Permanent contract	6 months
Sanjay Arya	Medical Director	1 Apr 2017	Permanent contract	3 months
Alison Balson	Director of Workforce	14 Sep 2015	Permanent contract	3 months
Ian Boyle	Chief Finance Officer	1 Oct 2020	Permanent contract	3 months
Mary Fleming	Deputy Chief Executive	1 Apr 2021*	Permanent contract	3 months
Paul Howard†	Director of Corporate Affairs	1 Apr 2020**	Permanent contract	3 months
Anne-Marie Miller†	Director of Communications and Stakeholder Engagement	1 Mar 2021	Permanent contract	3 months
Richard Mundon	Director of Strategy & Planning	28 Sep 2015	Permanent contract	3 months
Helen Richardson	Chief Nurse (outgoing)	5 Aug 2019	Ended 31 Oct 2020	3 months
Rabina Tindale	Chief Nurse (incoming)	15 Feb 2021	Permanent contract	3 months

* Mary Fleming's employment as Deputy Chief Executive commenced on 1 April 2021, however she was first appointed to the Board of Directors as Chief Operating Officer on 1 April 2016.

** Paul Howard's employment as Director of Corporate Affairs commenced on 1 April 2020, however he was first appointed as Company Secretary on 7 June 2017.

† Indicates non-voting director

Non-executive directors

The chair and non-executive directors are appointed for a period of office as decided by the Council of Governors. Subject to satisfactory performance, they are able to serve a maximum term of nine years, although in accordance with the NHS Foundation Trust Code of Governance any term beyond six years is subject to rigorous review and annual re-appointment.

The "maximum term end date" shown in the table below is the point at which the nine years' maximum service will have been reached and is not an indication that the contract will continue until this date. The Council of Governors is particularly mindful of the need to ensure independence and the progressive refreshing of the Board of Directors and takes this into account when making decision as to the reappointment of non-executive directors.

Name	Start date in role	Start date of current contract	Unexpired portion of current contract	Maximum term end date	Notice period
Robert Armstrong Chair	1 Nov 2014	1 Nov 2019	4 months	31 Oct 2023	3 months
Clare Austin Non-Executive Director	1 May 2019	1 May 2019	10 months	30 Apr 2028	1 month
Rhona Bradley Non-Executive Director	1 Dec 2019	1 Dec 2019	1 years, 5 months	30 Nov 2028	1 month
Steven Elliot Non-Executive Director	1 Apr 2018	1 Apr 2021	2 years, 10 months	31 Mar 2027	1 month
Mick Guymer Non-Executive Director	1 Aug 2015	1 Aug 2018	1 month	31 Jul 2024	1 month
Ian Haythornthwaite Non-Executive Director	9 Apr 2018	9 Apr 2021	2 years, 10 months	31 Mar 2027	1 month
Lynne Lobley Non-Executive Director	28 Mar 2018	28 Mar 2021	2 years, 9 months	27 Mar 2027	1 month
Francine Thorpe Non-Executive Director	1 May 2021	1 May 2021	2 years, 11 months	30 Apr 2030	1 month
Tony Warne Non-Executive Director	1 Nov 2013	14 May 2020	Expired	N/A	N/A

Membership of remuneration committees

The Remuneration Committee established by the Board of Directors to consider matters relating to the remuneration, allowances and terms and conditions of office of the executive directors is made up of all the non-executive directors and is chaired by Robert Armstrong.

Attendance during 2020/21 was as follows:

Name of director	A	B	Percentage attendance
Robert Armstrong	5	6	83%
Clare Austin	5	6	83%
Rhona Bradley	6	6	100%
Steven Elliot	4	6	67%
Mick Guymer	5	6	83%
Ian Haythornthwaite	6	6	100%
Lynne Lobley	6	6	100%
Tony Warne	6	6	100%

A: number of meetings attended
B: number of meetings the director could have attended

The Chief Executive attends the committee in relation to discussions around board composition, succession planning and the remuneration and performance of executive directors. The Chief Executive is not present during discussions relating to his own performance, remuneration or terms and conditions of office.

The Director of Workforce and the Director of Corporate Affairs attend meetings to provide support and advice. They withdraw from the meeting during consideration of their own performance, remuneration or terms and conditions of office.

The Nomination and Remuneration Committee established by the Council of Governors to consider matters relating to the appointment, remuneration and other terms and conditions of service of the non-executive directors is also chaired by Robert Armstrong. The committee's membership and attendance information is given below:

Name of committee member	A	B	Percentage attendance
Robert Armstrong, Chair*	2	2	100%
Lynne Lobley, Senior Independent Director*	2	2	100%
Bill Anderton, Public Governor	4	4	100%
Pauline Gregory, Public Governor	4	4	100%
Andrew Haworth, Public Governor	4	4	100%
Reg Nash, Appointed Governor	4	4	100%
Andrew Savage, Staff Governor	4	4	100%
Linda Sykes, Public Governor	4	4	100%

A: number of meetings attended

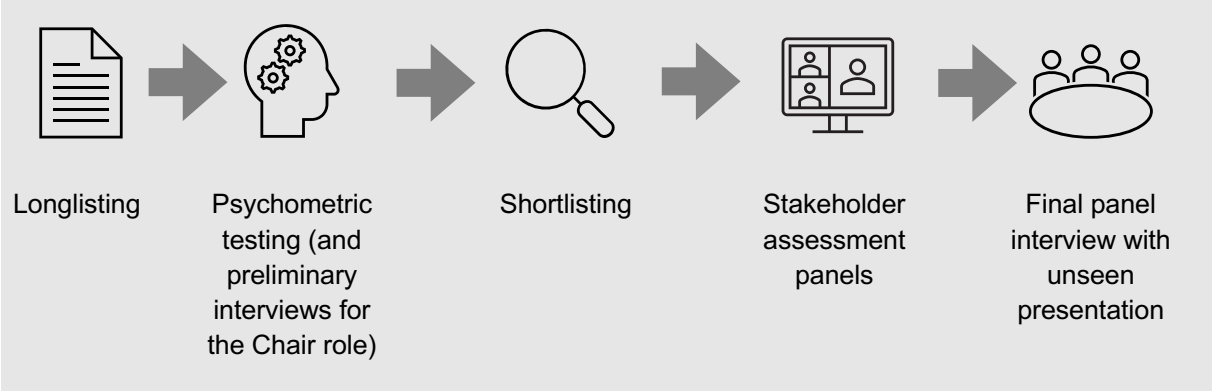
B: number of meetings the member could have attended

* The committee is normally chaired by Robert Armstrong, however he did not participate in the recruitment of his successor and meetings related to this were chaired by Lynne Lobley in her capacity as Senior Independent Director.

The Director of Corporate Affairs attends each meeting to provide advice and support to the committee. The chair withdraws from the meeting when his own reappointment, remuneration, allowances and other terms and conditions of office are under discussion.

During the year, one non-executive director was appointed as well as the new Chair who will take up office in November 2021. The committee was assisted with these appointments by Diane Charnock Consulting, a recruitment consultancy with significant experience in recruiting non-executive directors. In determining which firm to use to support the process, a competitive pricing exercise was undertaken to ensure value for money. The committee was satisfied that the services received were objective and independent and a total fee of £28,000 was paid.

The process which was followed for both of these appointments is summarised below:



Remuneration for the year to 31 March 2021

The following tables and the fair pay multiple, which are subject to audit, show directors' remuneration for the year.

	Salary and fees (bands of £5,000)	Taxable benefits (to the nearest £100)	Pension related benefits (bands of £2,500)	Total (bands of £5,000)
Robert Armstrong, Chair	50 - 55	0	0	50 - 55
Silas Nicholls, Chief Executive	185 - 190	900	32.5 - 35.0	220 - 225
Sanjay Arya, Medical Director*	245 - 250	100	57.5 - 60.0	305 - 310
Clare Austin, Non-Executive Director	10 - 15	0	0	10 - 15
Alison Balson, Director of Workforce	130 - 135	0	30.0 - 32.5	160 - 165
Ian Boyle, Chief Finance Officer (from 1 Oct 2020)	65 - 70	0	40.0 - 42.5	105 - 110
Rhona Bradley, Non-Executive Director	10 - 15	0	0	10 - 15
Steven Elliot, Non-Executive Director	10 - 15	0	0	10 - 15
Mary Fleming, Deputy Chief Executive	130 - 135	100	55.0 - 57.5	185 - 190
Mick Guymer, Non-Executive Director	10 - 15	0	0	10 - 15
Ian Haythornthwaite, Non-Executive Director	15 - 20	0	0	15 - 20
Paul Howard, Director of Corporate Affairs	100 - 105	0	25.0 - 27.5	125 - 130
Lynne Lobley, Non-Executive Director	15 - 20	0	0	15 - 20
Anne-Marie Miller, Director of Communications	5 - 10	0	0	5 - 10
Richard Mundon, Director of Strategy and Planning	130 - 135	100	32.5 - 35.0	165 - 170
Ged Murphy, Acting Chief Finance Officer (to 30 Sep 2020)	60 - 65	0	0	60 - 65
Morag Olsen, Interim Chief Nurse (from 9 Nov 2020 to 21 Feb 2021)	45 - 50	0	0	45 - 50
Helen Richardson, Chief Nurse (to 31 Oct 2020)	75 - 80	0	25.0 - 27.5	100 - 105
Rabina Tindale, Chief Nurse (from 15 Feb 2021)	25 - 30	0	27.5 - 30.0	50 - 55
Tony Warne, Non-Executive Director	15 - 20	0	0	15 - 20

* The above remuneration includes clinical duties of £109k that are not part of the individual's management role.

** During the period 11 January 2021 to 31 March 2021, Sanjay Arya undertook the role of Undergraduate Clinical Lead at Edge Hill University Medical School. His salary in the above table excludes the element of salary recharged to Edge Hill University.

All of the above directors were in post for the 12-month period to 31 March 2021 except where indicated. No annual performance or long-term performance-related bonuses were paid during the period. Taxable benefits relate to car lease contributions.

The value of pension benefits accrued during the year and during the prior year as shown in the table below 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 derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

Remuneration for the year to 31 March 2020

	Salary and fees (bands of £5,000)	Taxable benefits (to the nearest £100)	Pension related benefits (bands of £2,500)	Total (bands of £5,000)
Robert Armstrong, Chair	50-55	0	0	50-55
Silas Nicholls, Chief Executive (from Oct 2019)	75-80	0	15.0 - 17.5	90-95
Andrew Foster, Chief Executive (to Oct 2019)	120-125	0	0	120-125
Sanjay Arya, Medical Director*	240-245	0	30.0 - 32.5	270-275
Clare Austin, Non-Executive Director	10-15	0	0	10-15
Alison Balson, Director of Workforce	125-130	0	27.5 - 30.0	155-160
Rhona Bradley, Non-Executive Director (from Dec 2019)	0-5	0	0	0-5
Steven Elliot, Non-Executive Director	10-15	0	0	10-15
Mary Fleming, Deputy Chief Executive	125-130	0	45.0 - 47.5	170-175
Rob Forster, Director of Finance	185-190	300	42.5 - 45.0	225-230
Mick Guymer, Non-Executive Director	10-15	0	0	10-15
Ian Haythornthwaite, Non-Executive Director	15-20	0	0	15-20
Pauline Law, Chief Nurse (to Aug 2019)	65-70	0	0	65-70
Jon Lloyd, Non-Executive Director (May to Dec 2019)	10-15	0	0	10-15
Lynne Lobley, Non-Executive Director	15-20	0	0	15-20
Richard Mundon, Director of Strategy and Planning**	110-115	1,800	40.0 - 42.5	155-160
Helen Richardson, Chief Nurse (from Aug 2019)	75-80	0	60.0 - 62.5	135-140
Tony Warne, Non-Executive Director	15-20	0	0	15-20

* The above remuneration includes clinical duties of £178k that are not part of the individual's management role.

** During the period 1 July 2019 to 31 March 2020, Richard Mundon undertook a role in support of the Provider Federation Board, hosted by Manchester University NHS Foundation Trust, to give strategy and policy input to providers in Greater Manchester. His salary in the above table excludes the element of salary recharged to Manchester University NHS Foundation Trust.

All of the above directors were in post for the 12-month period to 31 March 2020 except where indicated. No annual performance or long-term performance-related bonuses were paid during the period. Taxable benefits relate to car lease contributions.

Pension entitlements for year-ended 31 March 2021

Non-executive directors do not receive pensionable remuneration, therefore there are no entries in respect of pensions for non-executive directors.

In accordance with guidance issued by the NHS Business Services Authority, an increase of 1.7% CPI on the cash equivalent transfer value at 31 March 2021 has been applied.

	Real increase in pension at age 60 (Bands of £2,500) £000	Real increase in pension lump sum at age 60 (Bands of £2,500) £000	Total accrued pension at age 60 as at 31 March 2021 (Bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2021 (Bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2021 £000	Cash Equivalent Transfer Value at 31 March 2020 £000	Real increase in Cash Equivalent Transfer Value £000
Silas Nicholls Chief Executive	0 – 2.5	5.0 – 7.5	40 – 45	75 – 80	685	158	510
Sanjay Arya Medical Director	2.5 – 5.0	10.0–12.5	65 – 70	205 – 210	1,660	1,508	100
Alison Balson Director of Workforce	0 – 2.5	0	15 – 20	15 – 20	209	178	10
Ian Boyle Chief Finance Officer (from 1 Oct 2020)	0 – 2.5	2.5 – 5.0	45 – 50	95 – 100	797	691	36
Mary Fleming Deputy Chief Executive	2.5 – 5.0	2.5 – 5.0	40 – 45	90 – 95	854	764	59
Paul Howard Director of Corporate Affairs (from 1 Apr 2020)	0 – 2.5	0	10 – 15	30 – 35	199	174	10
Anne-Marie Miller Dir. of Communications (from 1 Mar 2021)	0-2.5	0	15-20	0	177	153	1
Richard Mundon Director of Strategy and Planning	2.5 – 5.0	0	20 – 25	0	295	249	24
Helen Richardson Chief Nurse (to 31 Oct 2020)	2.5 – 5.0	0 – 2.5	45 – 50	145 – 150	0	1,038	0
Rabina Tindale Chief Nurse (from 15 Feb 2020)	0 – 2.5	2.5 – 5.0	50 – 55	150 – 155	1,151	958	33

Pension entitlements for the year ended 31 March 2020

In accordance with guidance issued by the NHS Business Services Authority, an increase of 2.4% CPI on the cash equivalent transfer value as at 31 March 2020 has been applied.

	Real increase in pension at age 60 (Bands of £2,500) £000	Real increase in pension lump sum at age 60 (Bands of £2,500) £000	Total accrued pension at age 60 as at 31 March 2020 (Bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2020 (Bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2020 £000	Cash Equivalent Transfer Value at 31 March 2019 £000	Real increase in Cash Equivalent Transfer Value £000
Silas Nicholls, Chief Executive (from Aug 2019)	2.5 - 5.0	0	35 - 40	70 - 75	642	575	42
Andrew Foster, Chief Executive (to Oct 2019)	0 - 2.5	0 - 2.5	30 - 35	95 - 100	0	0	0
Sanjay Arya, Medical Director	0 - 2.5	5.0 - 7.5	60 - 65	190 - 195	1,508	1,383	65
Alison Balson, Director of Workforce	0 - 2.5	0 - 2.5	10 - 15	15 - 20	178	149	8
Rob Forster, Director of Finance	2.5 - 5.0	0	30 - 35	0	434	376	23
Mary Fleming, Chief Operating Officer	2.5 - 5.0	0 - 2.5	35 - 40	85 - 90	764	682	47
Pauline Law, Chief Nurse (to Aug 2019)	0	0	40 - 45	125 - 130	0	1,048	0
Richard Mundon, Director of Strategy and Planning	2.5 - 5.0	0	15 - 20	0	249	199	29
Helen Richardson, Chief Nurse (from Aug 2019)	2.5 - 5.0	12.5 - 15.0	45 - 50	135 - 140	1,037	889	118

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued are the member's accumulated 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 a 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 accumulated as a consequence of their total membership of the scheme, not just their service in a senior capacity to which the 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.

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

Following the government's announcement that all public sector pension schemes will be required to provide the same indexation on the Guaranteed Minimum Pension (GMP) as on the remainder of the pension, NHS Pensions has revised its method of calculating CETVs. The real increase in CETV will therefore be impacted as it will include any increase in CETC due to the change in GMP methodology.

Real increase in CETV

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

During the period there were no compensation payments made to former senior managers nor any amounts payable to third parties for the services of a senior manager.

Directors' and governors' expenses

The total number of governors in office as at 31 March 2021 was 26 (2020: 26).

The total number of directors in office as at 31 March 2021 was 15 (2020: 15)

Expenses paid to directors include all business expenses arising from the normal course of business and are paid in accordance with our policy.

The total amount of expenses reimbursed to 3 directors during the year was £300 (11 directors, £11,300 in 2019/20).

The total amount of expenses reimbursed to 2 governors during the year was £100 (13 governors, £1,100 in 2019/20).

Fair pay multiples

We are required to disclose the relationship between the remuneration of the highest paid director in our organisation and the median remuneration of our workforce. In this context the median is defined as the total remuneration of the staff member who lies in the middle of the linear distribution of staff, excluding the highest paid director. The median is based on the annualised, full time equivalent remuneration for the year excluding employers' costs.

The banded remuneration of the highest paid director of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust in the financial year 2020/21 was £245-250k (2019/20: £240-245k). This was 8.96 times (2019/20: 9.09 times) the median remuneration of the workforce, which was

£27,611 (2019/20: £26,692). The salary of the highest paid director includes salary payments for work undertaken in performing clinical sessions.

As in previous years, temporary agency staff are excluded from the calculations. The calculation methodology has been maintained so that the 2020/21 results are comparable with those in previous years.

	FY2020/21	FY2019/20
Band of highest paid director's remuneration (£000)	245-250	240-245
Median total (£)	27,611	26,692
Ratio	8.96	9.09

The ratio for 2020/21 has decreased by 0.13. This is due to an increase in the median salary.

In 2020/21, 1 employee received remuneration in excess of the highest paid director (2019/20: 2 employees). Their remuneration ranged from £260k to £265k (2019/20: 1 £250-255k, 1 £315-320k).

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

Silas Nicholls
Chief Executive and Accounting Officer

9 June 2021

STAFF REPORT

2020/21 has hugely challenged the resourcefulness, strength, and resilience of our workforce in the face of one of the most difficult situations to ever face the NHS. The impact of the COVID-19 pandemic will be felt for many years to come and as we now enter our recovery phase we have a clear focus on the recovery and support of our staff who have worked under huge pressure and immensely difficult circumstances to provide the best possible care to our patients.

The impact of so much illness and so many resulting deaths has had a profound impact on our staff. Many front-line staff have witnessed the pandemic at it's worse and it will take time and support to adjust. We must also acknowledge that many of our staff have been personally affected by COVID-19, many have family or close ones who became seriously ill, and some staff lost their lives to this virus. However, throughout this and despite the grief and low points of the pandemic, huge progress to keep our staff safe and to support them through the most difficult of circumstances has been made.

2020/21 became a year of rapid clinical upskilling and deployment of staff where they were needed the most, firstly to support front line services and then to support the recovery and restart programme. To support staff safety, comprehensive risk assessments were completed to ensure that high risk and clinically extremely vulnerable staff did not work in COVID-exposed environments. New digital technologies were enabled to allow different communication mechanisms, such as webinars and global communications by email, and movement of staff en masse to remote working for those that could. As the pandemic extended, more resource and effort went into supporting staff wellbeing including through our Steps of Support rooms, dedicated psychological support, a central unplanned absence team, enhanced support from our Chaplaincy and Spiritual Care Team, as well as through occupational health, staff counselling and staff listening events.

Recognition of the potential immediate risk to our workforce alongside the requirement to be able to safely deploy the right staff to the right areas of the business drove the design of new rapid systems to collect workforce data and management guidance in relation to personal health risk assessments. The information captured against our full workforce and each staff member's individual health risk status has been used consistently over the last 12 months, enabling us to:

- understand the current status of our staff; our workforce deployment risk and ability to respond to service need;
- our requirement to communicate key information to those staff who have had to remain at home and support any temporary change or adaptation of role, keeping them engaged and feeling part of the organisation; and
- prioritise our workforce vaccination programme.

Like all organisations, the impact of the pandemic increased both our sickness and special leave absence to far greater levels than expected in any one year. Aside from the actual absence of staff and the impact of this on patients and service delivery, we also had to take account of the reduced engagement with those absent staff due to the pressure on line managers who remained in the organisation. To deal with this proactively, we took two significant steps to support both staff and managers:

- As part of our digital agenda, we commissioned a digital unplanned absence system alongside a new HR case management system, both of which when fully implemented will interface with the electronic staff record and our electronic rostering system and provide live attendance data

which will support the accurate deployment of staff without the requirement for management data input. Additionally, the system will support managers to engage easily with their absent staff storing accurate attendance records and data as needed

- Ahead of the implementation of this system we introduced the central unplanned absence team who directly contact all registered and non-registered nursing staff, offering relevant signposting to support services. At the point the system goes live this engagement will expand to all staff groups and will remain in place until all line managers are trained on the system. The feedback from absent staff on the central team offer has been extremely successful with staff appreciating the support where their managers have been unable to provide this or as a further mechanism to support them.

As we enter 2021/22, both at WWL and across the NHS as a whole, a significant recovery period is required to reset services and to deal with the huge backlog of patients awaiting treatment and procedures whilst learning to live with and protect the population from COVID-19. Concurrently, the NHS faces a challenging landscape in terms of workforce and finances, with the backdrop of a significant overspend as a result of COVID-19, greater numbers of staff taking early retirement, higher numbers of international recruits being required across our clinical specialities, the impact of the UK having now left the European Union and the requirement to offer staff a greater level of health and wellbeing support.

2020/21 brought the release of the NHS People Plan which has been used in part to inform our new WWL Strategy and Corporate People Objectives, signed off by the Board this year. Our key areas of focus are as follows:

- We will support the physical health and mental wellbeing of our WWL family by ensuring that we have a comprehensive range of wellbeing activities and services that are accessible to our colleagues. We will do this by:
  - Taking an active interest, by listening and caring about wellbeing
  - Making sure comprehensive health and wellbeing services and activities are available and accessible
  - Allocating time for colleagues to access our health and wellbeing services during their working hours
- We will improve nursing, AHP and midwifery recruitment and retention within WWL by:
  - Prioritising personal and professional development
  - Developing talent mapping and succession planning for leadership roles
  - Placing a targeted focus on onboarding
  - Building our workforce pipelines, working with local and regional education partners
  - Continuing domestic and international recruitment programmes
- We will make the WWL experience at work positive and fulfilling by creating an environment where our people feel safe to be themselves, to make suggestions and to call our concerns, knowing that we always look for learning and ways to improve. We will do this by:
  - Implementing our culture reset, including civility, psychological safety and compassionate leadership
  - Providing additional influence and voice for our people

- We will place fairness and compassion at the centre of our people policies, always respecting the needs and diversity of our colleagues, by:
  - Focusing on transformational equality, diversity and inclusion activities in WWL and with local partners
  - Ensuring our leaders are supported and developed to lead with compassion and to empower people
  - Redesigning key people policies underpinned by a just culture and psychological safety principles

As part of our pandemic response, we have continued to promote the importance of speaking up amongst our staff throughout 2020/21. To ensure greater confidence and impartiality we are procuring an external company to provide our Freedom to Speak up Guardian service. This will further improve the speaking up arrangements in place and ensure that best practice is adopted.

We have continued to maintain and promote positive partnerships, both internally with our divisional and staff side colleagues and externally with boroughwide health and social care partners and neighbouring NHS organisations, as we have worked through the challenges of the pandemic together to provide the best possible healthcare for the population that we serve.

Alongside this, the workforce team has continued to deliver services in line with our People Promise along the four core elements of:

Employment essentials

Following a commitment and action plan and in line with national NHS recommendations to ensure a 'fair experience for all' for employees who had conduct concerns raised against them, we have continued to implement key actions under our approach to having a just culture during the last year. Whilst nationally there was a pause to employee relations matters for some months, enabling a fully focused approach in responding to the pandemic, we designed a fast-track disciplinary procedure which we agreed in partnership with local trade union representatives. Having embraced this new route and evolving further complementary guidance in the form of a workplace incident decision tree, we have seen the benefit for both employees and managers in raising, responding and resolving conduct matters quickly so that day-to-day business can resume and employees are

able to move on from the incident, applying any learning as they continue with their careers and reducing the psychological impact of being subject to a longer formal conduct process. In addition we have developed and published an updated disciplinary policy which has a person-centred approach, encouraging broader understanding of the human factors that may have contributed to an incident and which encourages an informal resolution where possible. This update is the commencement of a full policy refresh planned over the next 12 months which we hope will lead to a suite of people policies with a more informal, conversational tone; providing the key information succinctly to our staff and removing duplication and confusion.

Before and throughout the pandemic, we experienced high levels of nursing vacancies, exacerbated by increasing turnover rates and linked to staff unavailability levels due to increases in sickness, carers leave and self-isolation. The NHS exists in an environment where demand significantly outweighs local supply, so our recruitment strategy is required to have a significant focus on international recruitment. The appointment of a new Chief Nurse has enabled a fresh approach to our recruitment strategy. Establishing one source of the truth regarding our vacancies and establishment is part of our wider workforce digitalisation strategy. Work on data cleansing and system integration continues in order to achieve this. At the end of 2020/21, we achieved a net zero vacancy position for health and social care workers and at the start of 2021/22 we ran a successful local virtual recruitment event that has enhanced our careers profile on social media and will continue throughout the year to ensure positive messaging and visibility of career opportunities at WWL.

Throughout the pandemic, we have relied heavily on staff to work extra shifts through local pay variations and incentive schemes where appropriate to cover our workforce gaps. We acknowledge that we cannot be over reliant on this approach and as such we are working closely with NHS Professionals, our primary provider of temporary clinical workers, to ensure greater conversion from agency to bank fill, consistent rate application, greater lead-in times around recruitment planning to prioritise substantive and bank worker fill and ensuring that rates of pay are competitive and attractive to those working through them. The pandemic has grown our level of agency spend which we now seek to address and we are committed to NHS Improvement's requirements to limit non-clinical agency usage where possible. In 2020/21 we expanded bank provision through NHS Professionals to estates and administration staff and we are now planning to include allied health professionals. We remain committed to finding alternative workforce solutions wherever possible to avoid paying agency premiums.

In 2021/22, we will offer the following recruitment and retention incentives and initiatives:

- Golden handshakes for band 5 experienced nurses;
- Band 5 to 6 development programmes;
- Birthday day off;
- Flexible working opportunities across all roles and departments;
- Management and leadership programmes and bespoke development plans;
- Clinical induction;
- Provision of study leave allocation for nursing staff;
- Expansion of clinical opportunities such as on our new Clinical Admissions Unit;
- A continuous social media-led attraction campaign for hard to recruit to roles;

- A review of alternative targeted campaigns to widen the breadth of potential candidates exposed to our career opportunities, planned to increase the diversity and skill sets of applicants;
- A review of candidates that may not have been successful during previous recruitment to understand suitability for posts, with appropriate support and development packages;
- International recruitment;
- Compassionate leadership development;
- Return to practice;
- Staff health and wellbeing initiatives such as mindfulness and resilience programmes and healthy eating options; and
- Enablement of our Talent Management and Learn & Grow strategies.

In terms of medical recruitment, there have been fluctuating levels of challenge across several specialities, therefore additional investment into junior grade roles across medical and surgical specialities was agreed in early 2020. Work has been undertaken with divisions to consider alternative workforce models and we have continued to support the *Earn, Learn and Return* programme for overseas doctors. This programme has remained consistent since its inception in supporting medical gaps whilst enhancing the education and future careers of our overseas visitors. Given the success of the programme the Global Training and Education Centre team has been expanded to offer a pipeline of international nurses to address the vacancy gaps across WWL.

Given the challenges around recruitment and retention throughout the NHS, it is important for us to work to build an advantage in a competitive market. With the launch of our new strategy and people objectives we have greater clarity on our employment offer and brand that creates a great place at WWL to work and develop your career. Our retention strategy encompasses a number of actions. Central is our WWL People Promise strategic ambition to create an inclusive and people-centred experience at work that enables our WWL family to flourish.

We need to understand what attracts and what puts individuals off joining or staying with WWL so that we can clearly define and build an offer that will see us as the employer they choose now and in the future, knowing they can commence and build their career with us in a way that satisfies their job role and lifestyle choices. Much of the intelligence for this will be gathered by our Your Voice survey which continues to be a crucial staff feedback route and one that we will use to improve working lives at WWL.

We work closer than ever with the Healthier Wigan Partnership on joint opportunities around recruitment and employment. Five areas we will explore further in 2021/22 are:

- On the back of the research conducted in 2020, to determine what attracted staff members to work within the Wigan locality and their current organisations, create a compelling Wigan brand to attract local talent to work in our health and care services;
- Workforce profiling and filling critical skills gaps for now and the future;
- Enabling flexible recruitment of staff to a combined Wigan talent pool; and
- New skill mix and roles working across our HWP to address our workforce gaps.

We work in close partnership with staff side and Local Negotiating Committee representatives to ensure that the views of our employees are taken into consideration when making decisions which may affect their interests.

The focus on equality and diversity in society, across the general public and in employment is higher than ever. The Black Lives Matter campaign has shone a significant focus on race equality, and alongside this the NHS People Plan has enhanced the focus on equality, diversity and inclusion as a theme that must run through all aspects of employment in the NHS. We are fully committed to our equality and diversity agenda and we will ensure that we provide fair and equal treatment to all, whether this is in the provision of our services or in relation to employment matters. No one should receive a poorer service or receive a worse experience because of a difference that they have.

Your Voice Matters

Whilst the level of engagement has improved slightly from 2019/20 it has also fluctuated within the year. Key themes for development have included improving staff recognition and developing the extent to which staff feel able to influence decisions which affect them.

In response to these themes:

- The *Go Engage Teams* programme will recommence in 2021, offering a new virtual classroom to increase engagement.
- The Your Voice staff survey was performed every quarter and enabled an understanding of how engaged staff were and to formulate any actions to support improvements.
- Staff Engagement Associates will be launched in June 2021. This will increase our engagement reach across the trust and also help support the development of staff by training them on engagement and leadership skills.
- A number of listening events have been hosted during 2020 to ensure that we know how staff are feeling and ensure their voice is heard throughout the pandemic.

We will continue to build on staff engagement plans to ensure the delivery of positive outcomes for our people, organisational performance and ultimately the quality of care we provide to patients.

We recognise the importance of staff engagement and have committed to a strategic staff engagement reset which we have call *Our family…Our future…Our focus*. This is led and overseen by our Deputy Chief Executive, with leadership from all executive directors. We will be focusing on key themes informed by staff feedback and which evidence tells us have an impact on how people will feel working for us and the positive impact that improved employee engagement has on patient care and outcomes. Our themes are culture, leadership and team development, wellbeing and communications and visibility.

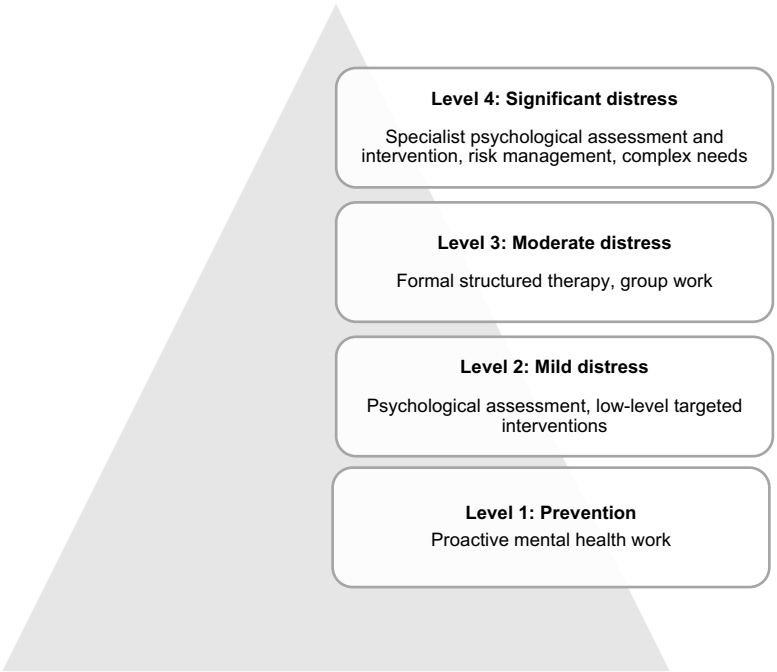
Steps 4 Wellness

During 2020, the Steps 4 Wellness offer changed dramatically to respond to the wellbeing needs of staff dictated by the COVID-19 pandemic. Initially, the focus was on the promotion of good mental health and recognising that it was now, more than ever, okay not to be okay. Fairly early on, it became apparent that staff would need ongoing wellbeing support at differing levels of input during and following the pandemic and so a stepped care model of mental health support was developed to do just that.

In November 2020, we embarked on a proof of concept to invest in and deliver psychological support to staff via the Steps 4 Wellness Programme and occupational health counselling, to mitigate the impact of COVID-19 on staff wellbeing in the short and long term.

The psychological support programme aims to demonstrate that dedicated investment and resources allocated to staff psychological support lead to better wellbeing outcomes and mitigate the anticipated impact that COVID-19 will have on staff mental health. In turn, this will lead to better outcomes for patients by supporting more staff to remain well in work or supported with their mental health needs in the workplace, preventing the potential for higher levels of stress or mental health sickness absence and added pressures on operational delivery and patient care.

The Steps 4 Wellness and psychological support programme is delivered through the following stepped care model, providing holistic support, from preventative and proactive mental health work through to the more significant support for staff that are experiencing distress.



Learn and Grow

As part of our People Promise, we have relaunched our route plan appraisal, which focuses on supporting both leaders and colleagues to facilitate a coaching conversation which highlights achievements and challenges during the year. The conversation has a focus on future aspirations, health and wellbeing and objective setting.

Several initiatives to attract young people who wish to pursue a career in the NHS have also been implemented. These include:

- *Kick Start Scheme* – Aimed at 16-24 year olds, with opportunities to work with us for six months gaining vital experiences of the NHS
- *Career Ambassadors* – To offer support to local schools and colleges via our career ambassadors to raise awareness and showcase NHS roles to young people

- *Apprenticeship Programme* – This continues to grow and we have a full apprenticeship delivery plan scheduled for the coming year with programmes starting at Level 2 through to Level 6
- *Youth Academy* – This has a focus on recruiting young people to apprenticeship roles at the trust.

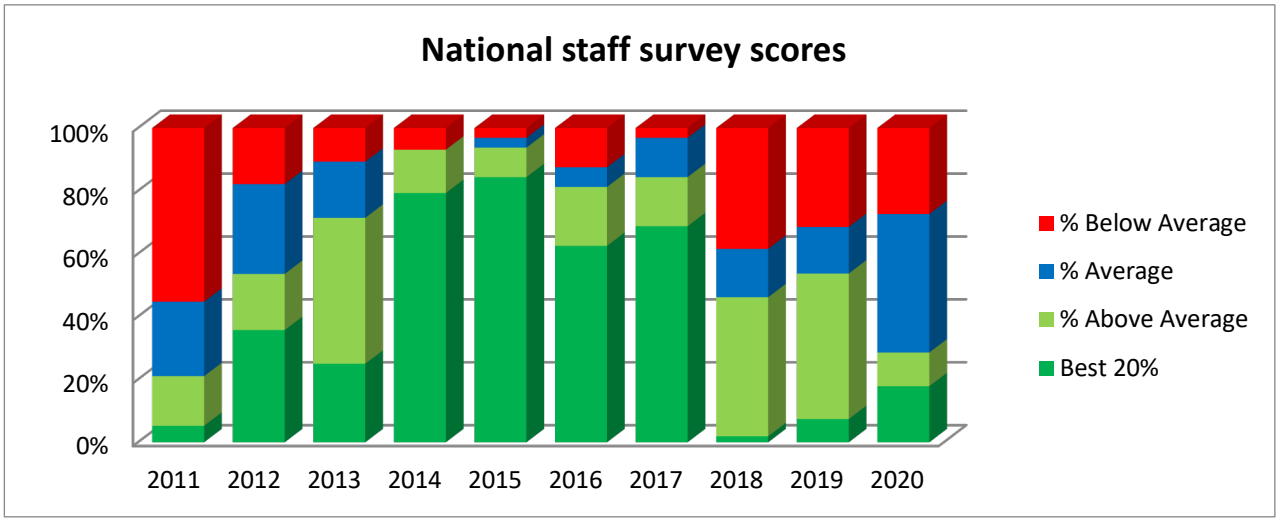
Leadership development and coaching continue to be key priorities for us. Our current leadership offer aims to ensure that what we do in the future will enable our leaders to effectively deliver our strategic priorities. This year will see the launch of our new leadership academy, offering development to aspiring, new and existing leaders to support them to be the best they can be. We also provide leaders with the opportunity to undertake accredited leadership programmes.

We have recently introduced leadership support circles for our leaders which offer time and a reflective safe space for those with responsibility for managing others. The sessions take the form of an interactive online group, based on ten evidence-based principles for leading compassionately.

We have also introduced a new leadership development programme for all senior leaders, comprising around 50 executive directors, deputy directors and clinical directors. As part of the programme, leaders participated in a leadership behaviours 360° feedback process which provides a balanced view of their behavioural strengths, development opportunities and future potential.

Staff engagement: the NHS staff survey

The NHS staff survey is conducted annually. 29% of staff at WWL responded to this year's survey, which is higher than our 2019 score (27%) but below average compared with other combined acute and community trusts in England (45%). We also run our own engagement pulse survey which is issued to staff on a quarterly basis. These surveys have enabled us to act quickly on the issues identified and have a more detailed measure of the causes of engagement, ensuring that we are always aware of trends and can act upon the data. The quarterly pulse surveys and associated actions have been integral to shaping our organisational culture.



Whilst the 2020 staff survey results are generally moderate to positive, the results remain lower than at our peak in 2015. In 2020, 18% of scores were in the top 20% of scores for acute and community combined trusts, 11% were above average, 44% were average and 27% were below average. It is promising to note that the number of results in the best 20% has increased again and the number of results in the bottom 20% has also decreased, although the number of results that are above average has decreased.

Summary of performance

Scores for each indicator, together with that of the survey benchmarking group are presented below. As noted earlier, the benchmarking group this year and last year was combined acute and community trusts; in 2018/19 the benchmarking group was acute trusts.

	2020/21		2019/20		2018/19	
	WWL	Combined trusts	WWL	Combined trusts	WWL	Acute trusts
Equality, diversity and inclusion	9.2	9.1	9.2	9.2	9.1	9.1
Health and wellbeing	5.9	6.1	5.9	6.0	5.8	5.9
Immediate managers	6.7	6.8	6.9	6.9	6.8	6.7
Morale	6.3	6.2	6.5	6.5	6.2	6.1
Quality of appraisals	---	---	5.0	5.5	4.9	5.4
Quality of care	7.7	7.5	7.8	7.5	7.8	7.4
Safe environment: bullying/harassment	8.0	8.1	8.3	8.2	8.0	7.9
Safe environment: violence	9.6	9.5	9.6	9.5	9.6	9.4
Safety culture	6.7	6.8	6.9	6.8	6.5	6.6
Staff engagement	7.1	7.0	7.3	7.1	7.0	7.0
Team working	6.3	6.5	---	---	---	---

	2020/21		2019/20	Improvement/ deterioration
	WWL	Combined trust average	WWL	
Response Rate	29%	45%	27%	Improvement
Top 5 ranking scores				
(Q12b) In the last 12 months how many times have you personally experienced physical violence at work from managers?	0.3%	0.5%	0.0%	Deterioration
(Q12c) In the last 12 months how many times have you personally experienced physical violence at work from other colleagues?	1.2%	1.4%	1.1%	Deterioration
(Q15a) In the last 12 months have you personally experienced discrimination at work from patients / service users, their relatives or other members of the public?	4.0%	6.2%	4.6%	Improvement
(Q17a) If you were concerned about unsafe clinical practice, would you know how to report it?	96%	94.6%	94.6%	Improvement
(Q15b) In the last 12 months have you personally experienced discrimination at work from manager / team leader or other colleagues?	7.6%	7.9%	6.1%	Deterioration
(Q3a) I always know what my work responsibilities are	87%	86.5%	87.4%	Deterioration
Bottom 5 ranking scores				
(Q19c) As soon as I can find another job, I will leave this organisation	13.9	13.2	10.1	Deterioration
(Q19b) I will probably look for a job at a new organisation in the next 12 months	19.7	18.7	14.9	Deterioration
(Q6a) I have unrealistic time pressures	27.6	24.4	24.4	Deterioration
(Q19a) I often think about leaving this organisation	28.7	26.7	22.6	Deterioration
(Q9c) Senior managers here try to involve staff in important decisions	29.2	34.5	34.8	Deterioration

The results show a mixed picture, with some positives in terms of safety culture, violence and discrimination against staff and clarity about work responsibilities. There are also areas for development in terms of turnover intentions, time pressures and staff feeling involved in decision making by senior managers. However, many of these scores have deteriorated since last year and we do not want this downward trend to continue.

It is also important to note that whilst we score lower than average on staff experience of discrimination in the past 12 months, we do score slightly higher than average when it comes to the percentage of staff saying they have experienced discrimination on the basis of sexual orientation, religion, disability, age and gender.

Future priorities and targets

Whilst our results continue to be lower than at our peak, there is still much to celebrate from the 2020 survey. We communicate these results regularly to our staff to support local staff engagement action plans.

It will be important for us to build further on our internal communications and engagement approaches, enhance the health and wellbeing of our staff and improve our learning and development offers. This will also be fundamental to our recruitment and retention strategy as an organisation.

Diversity and inclusion and our longer-term ambitions

We are looking to develop a locality wide approach to equality, diversion and inclusion (EDI) in 2021/22, working across the Healthier Wigan Partnership. This will complement our internal activities and will help to shape our EDI strategy and objectives under the headings of:

- Reducing social inequality in the Wigan Borough;
- Ensuring our workforce is diverse, representing the needs of our local population;
- Improving the experience of work for people in protected groups; and
- Eliminating inequality in employment

Our high-level priorities include:

- Increasing the voice of underrepresented groups;
- A fresh approach to the way adverts and job descriptions are framed to promote diversity;
- A review of recruitment and selection processes to ensure that staff from protected groups are not disadvantaged, including where jobs are advertised and the application process;
- Showcasing case studies of career progression for staff from protected characteristic groups;
- Development of self-directed staff networks with access to members of the Board of Directors;
- Reviewing and building a robust and inclusive talent strategy that focusses on developing and retaining talented leaders through talent programmes and regular talent reviews with a view to creating succession opportunities for all staff;
- Targeted leadership and development programmes, enabling all staff from protected groups to have equal access to career progression including a women's springboard, targeted black, Asian and minority ethnic group (BAME) talent mapping and reverse mentoring;
- Identifying the potential barriers of protected groups working at senior management level, initially to focus on gender and BAME;
- Increasing flexible working opportunities for staff on appointment to attract and retain a diverse range of staff;
- Introducing a mentoring scheme for BAME staff;

- Raising awareness through education, training, workshops and themed events for leaders and staff to share ethnic and religious culture and practice;
- Analysis of bullying and harassment data from the national staff survey and Your Voice figures as well as the employee relations case tracker to identify any specific issues around BAME and disability characteristics; and
- Commencement of our civility campaign.

We remain a Disability Confident employer, which means that we guarantee interviews to anyone declaring a disability during the recruitment process that meets the essential criteria for the role. We also ensure that equal opportunities and equality and diversity training is completed by managers with recruiting responsibilities, and we work proactively with the Access to Work service to make appropriate adjustments where required to ensure that disabled employees can fulfil their roles.

As at March 2020, we had a 15.13% median hourly rate gender pay gap, with females earning £2.53 an hour less than males. This position has improved in comparison with data from 2018 (22%) and 2019 (20%). Whilst women are the predominant workers across all four pay quarters, male workers are not evenly distributed and a significant proportion falls in the top quarter, particularly in the medical and dental staff group.

Our most recent pay gap report and those submitted in previous years can be found at:
https://gender-pay-gap.service.gov.uk

Mandatory disclosures within the staff report

Workforce gender profile as at 31 March 2021

Directors:	6 female (40%), 9 male (60%)
Senior managers:	220 female (74.57%), 75 male (25.43%)
Employees:	5,254 female (81.75%), 1,173 male (18.25%)

(by headcount, senior managers are band 8a and above)

Sickness absence data

Sickness absence data for NHS organisations is published online by NHS Digital.

Our sickness absence data can be found at:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Staff turnover

NHS Digital publishes monthly information about staff turnover for all organisations. The most up to date data for WWL can be found by typing the following address into a web browser and visiting the ‘resources’ section towards the bottom of the page:

Staff turnover information can be found at:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

Consultancy

We did not incur any consultancy fees during the year.

Occupational health

Occupational health services are provided by Wellbeing Partners, a joint venture organisation between Lancashire Teaching Hospitals NHS FT, Bolton NHS FT and us. Performance is monitored on a quarterly basis by each partner organisation and via a governance board.

An occupational health representative attends our Occupational Safety and Health Group and Infection Prevention and Control Group meetings.

Counter-fraud and corruption

We employ our own Fraud Specialist Manager and have a Fraud, Corruption and Bribery Policy in place which has been developed in line with NHS standards. All staff are required to successfully complete a mandatory e-learning anti-fraud module every two years and continual fraud awareness campaigns are undertaken via the intranet, news articles and presentations.

Health and safety

This year, our health and safety team has continued to focus on supporting us to operate during the COVID-19 pandemic whilst not losing sight of routine health and safety matters. In particular, the team led on the roll-out of mask fit testing across the organisation, ensuring that we were able to continue to provide care to our patients whilst safeguarding the health and safety of our people. The team has also had an important role to play in the oversight and investigation of incidents which were reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 as well as retaining a focus on the development and review of our policies and procedures.

Time off for trade unions

The tables below outline the facilities that we have provided for trade union colleagues during the year and collectively they constitute our facility time report for 2020/21.

Relevant union officials

Number of employees who were relevant union officials during the relevant period:	42
Full-time equivalent employee number:	36.86

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	16
1-50%	23
51-99%	3
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time:	£117,000
Total pay bill:	£290,620,000
Percentage of total pay bill spent on facility time:	0.04%

Paid trade union activities

Total paid facility and union time hours	6,016

Employee costs

	Permanent £000	Other £000	**2020/21 Total £000**	2019/20 Total £000
Salaries and wages	236,013	0	**236,013**	201,020
Apprenticeship levy	1,020	0	**1,020**	898
Social security costs	20,660	0	**20,660**	18,579
Employer's contribution to NHS pensions	23,706	0	**23,706**	21,220
NHSE contributions to NHS pensions	10,308	0	**10,308**	9,248
Agency/contract staff	0	26,859	**26,858**	17,344
Total staff costs	291,706	26,859	**318,565**	268,309
Costs capitalised as part of assets	1,116	655	**1,771**	2,039

Average number of employees (based on whole-time equivalents)

	Permanent (Number)	Other (Number)	**2020/21 Total (Number)**	2019/20 Total (Number)
Medical and dental	543	47	**590**	563
Administration and estates	1,354	28	**1,382**	1,286
Healthcare assistants and other support staff	640	11	**651**	635
Nursing, midwifery and health visiting staff	2,284	339	**2,623**	2,314
Scientific, therapeutic and technical staff	847	15	**862**	783
Healthcare science staff	4	1	**5**	13
Other	11	0	**11**	11
Total average numbers	5,683	441	**6,124**	5,605
Number of employees (WTE) engaged on capital projects	24	9	**33**	43

Reporting of compensation schemes: exit packages 2020/21

Exit package cost band (including any special payment element)	Total number of exit packages
<£10,000	30
£10,001 to £25,000	1
£25,001 to £50,000	1
£50,001 to £100,000	0
Total number of exit packages by type:	**32**
Total resource cost:	**£137,000**

During 2019/20, the exit packages related to Treasury-approved mutually agreed severance schemes and payments made in lieu of notice.

Reporting of compensation schemes: exit packages 2019/20

Exit package cost band (including any special payment element)	Total number of exit packages
<£10,000	28
£10,001 to £25,000	4
£25,001 to £50,000	2
£50,001 to £100,000	2
Total number of exit packages by type:	**36**
Total resource cost:	**£294,000**

During 2019/20, the exit packages related to Treasury-approved mutually agreed severance schemes and payments made in lieu of notice.

Reporting of high-paid off-payroll arrangements earning more than £245 per day

Highly paid off-payroll worker engagements as at 31 March 2021, earning £245 per day or greater	
Number of existing engagements as at 31 March 2021:	9
Of which, the number that have existed:	
For less than one year at time of reporting:	4
For between one and two years at time of reporting:	5
For between two and three years at time of reporting:	0
For between three and four years at time of reporting:	0
For four or more years at time of reporting:	0

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2021 earning £245 per day or greater	
Number of off-payroll workers engaged during the year ended 31 March 2021:	17
Of which:	
Not subject to off-payroll legislation*	0
Subject to off-payroll legislation and determined as in-scope of IR35*	17
Subject to off-payroll legislation and determined as out-of-scope of IR35*	0
Number of engagements reassessed for compliance or assurance purposes during the year:	0
Of which, number of engagements that saw a change to IR35 status following review:	0

** A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes*

Off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021	
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year:	0
Number of individuals that have been deemed board members and/or senior officials with significant financial responsibility during the financial year. (This figure includes both off-payroll and on-payroll engagements)	21

Our use of off-payroll arrangements is limited to occasions when it is deemed unavoidable and subject to close scrutiny.

Silas Nicholls
Chief Executive and Accounting Officer

9 June 2021

Disclosures set out in the NHS Foundation Trust Code of Governance

We have applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. Whilst the Financial Reporting Council issued a new UK Corporate Governance Code in 2018, the changes which were introduced have not yet been replicated within the NHS Foundation Trust Code of Governance.

The NHS Foundation Trust Code of Governance contains guidance on good corporate governance. NHS Improvement recognises that departure from the specific provisions of the code may be justified in particular circumstances, and reasons for any non-compliance with the code should be explained. This "comply or explain" approach has been in successful operation for many years in the private sector and within the NHS foundation trust sector. There are no provisions within the NHS Foundation Trust Code of Governance that we did not comply with during 2020/21.

The NHS Foundation Trust Code of Governance also sets out a number of disclosure requirements and these are provided below.

Council of Governors

The Council of Governors continues to play a key role in the work of the foundation trust, representing the interests of our membership and the general public.

It has a number of statutory duties, including appointing the chair and the non-executive directors, determining their remuneration and other terms and conditions of service and approving the appointment of the Chief Executive.

The Council of Governors holds the non-executive directors to account, both individually and collectively, for the performance of the board. It also receives the annual report and accounts and contributes to our annual business planning process. Under normal circumstances, Governors canvas the views of foundation trust members and others on our forward plan and these views are communicated to the Board of Directors. This year, in line with the national approach, this did not take place however it will continue again in 2021/22.

The public and staff members of the Council of Governors are elected from and by the foundation trust membership to serve for three years. They may stand for re-election at the end of their term of office.

Our Council of Governors comprises 28 governors:

- 4 public governors from the Wigan constituency;
- 4 public governors from the Leigh constituency;
- 4 public governors from the Makerfield constituency;
- 4 public governors from the Rest of England and Wales constituency;
- 1 medical and dental staff governor;
- 2 nursing and midwifery staff governors;
- 2 staff governors from the 'all other staff' constituency; and
- 7 appointed governors for across our key stakeholders

The following table provides detail of governors' attendance throughout 2020/21:

Name	Constituency/organisation	Term of office ends (see note 1)	Attendance 2020/21 (see note 2)
Public governors			
Bill Anderton	Public: Wigan	2022	100%
Alan Baybutt	Public: Wigan	2021	100%
Les Chamberlain	Public: Makerfield	2022	67%
Jean Coates-Topping	Public: Makerfield	2021	67%
Pauline Gregory	Public: Wigan	2022	100%
Ken Griffiths	Public: Makerfield	2022	0%*
Andrew Haworth	Public: Leigh	2022	100%
Christine Jones	Public: Leigh	2022	50%
Mustapha Koriba	Public: Rest of England and Wales	2022	100%
Lisa Lymath	Public: Rest of England and Wales	2022	100%
Renée Mellis	Public: Rest of England and Wales	2021	100%
Maggie Skilling	Public: Wigan	2021	100%
Veronika Stevens	Public: Rest of England and Wales	2021	100%
Shelly Sephton	Public: Leigh	2023	100%
Linda Sykes	Public: Leigh	2019	100%
Philip Woods	Public: Makerfield	2023	100%
Staff governors			
Imran Alam	Staff: Medical and Dental	2021	100%
Sarah Howard	Staff: Nursing and Midwifery	2021	33%**
Jackie Hylton	Staff: Nursing and Midwifery	2021	0%**
Hazel Leatherbarrow	Staff: All other staff	2021	0%**
Andrew Savage	Staff: All other staff	2023	100%
Appointed governors			
John Cavanagh	Foundation Trust volunteers	2021	100%
Dawne Gurbutt	University of Central Lancashire	2021	67%
Paula Keating	Edge Hill University	2022	33%
Reg Nash	Age UK Wigan Borough	2021	100%
Syed Shah	Local Medical Committee	2023	100%
Fred Walker	Wigan Council	2022	100%

Notes:

1. The term of office of all governors ends at the conclusion of the annual members' meeting in the year shown.
2. There were three formal meetings of the Council of Governors during 2020/21 as opposed to the four planned meetings, as the meeting planned to take place in April 2020 was cancelled due to the prevailing situation with COVID-19 and an organisational focus on dealing with the pandemic. This is the basis on which the attendance figures above are calculated.

* Due to the national restrictions in place, business was transacted virtually throughout the year. The attendance figure should be viewed in this context

** Staff governors employed in frontline roles prioritised their role in responding to the COVID-19 pandemic over attending Council of Governors meetings with the full support of the foundation trust and attendance figures should be viewed in this context.

The Council of Governors appoints a lead governor each year. Linda Sykes was initially appointed to this role on 15 October 2018 and has been reappointed to the role each year with the most recent reappointment taking place on 19 October 2020.

Council of Governors' register of interests

All governors are required to comply with the Code of Conduct for Governors and to declare any interests which may result in a potential conflict of interest in their role as a governor. A copy of the register of governors' interests can be obtained from the Company Secretary, using the details on page 141.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee makes recommendations to the Council of Governors on the appointment and remuneration of the chair and the other non-executive directors. This year, the committee has led on the recruitment of the chair and a non-executive directors on behalf of the Council of Governors as outlined on page 36.

Training and development for governors

During 2020/21, we provided our governors with access to a number of training and development opportunities to further support them in their role. These included externally provided training and development such as the GovernWell programme offered by NHS Providers and workshops provided by Mersey Internal Audit Agency and internal workshops and induction sessions

Communicating with governors

There are a number of easy ways for members of the public to communicate with the Council of Governors:

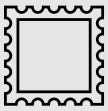
Email

governors@wwl.nhs.uk

Telephone

0800 073 1477

This is a freephone service and a 24/7 answerphone is available



Post

Council of Governors
c/o Company Secretary
Trust Headquarters
Royal Albert Edward Infirmary
Wigan Lane
Wigan, WN1 2NN

The board's relationship with the Council of Governors and members

The board and the council work together closely throughout the year. Non-executive directors are invited to attend all meetings of the council and the aim is for all non-executive directors to attend at least one meeting per year although many do attend more. As required by legislation, the chair of the Board of Directors is also the chair of the Council of Governors.

The following directors have attended a Council of Governors meeting during 2020/21:

- Robert Armstrong
- Clare Austin
- Rhona Bradley
- Steven Elliot
- Mary Fleming
- Mick Guymer
- Ian Haythornthwaite
- Lynne Lobley
- Silas Nicholls
- Tony Warne

The Council of Governors receives copies of the agendas of all board meetings in advance and copies of the minutes once approved. Under normal circumstances, our governors also choose to attend public board meetings where they can see the board at work. This allows them to gain a good understanding of the unitary nature of the board and to see at first hand the challenge and scrutiny undertaken by the non-executive directors.

As a result of the national restrictions in place throughout the year, this has not been possible. To ensure continued transparency and openness we invited a governor to attend our board meetings by videoconference as an observer and we have published the recordings of our board meetings on our website shortly after each meeting. Governors are also in attendance at each of our assurance committee meetings. This to help the Council of Governors to undertake its role of holding the board to account through the non-executive directors.

A clear dispute resolution procedure, set out in our constitution, details how disagreements between the Council of Governors and the Board of Directors will be resolved.

The types of decisions taken by each body are set out within our constitution and within the core governance documents of the organisation.

More information about the Council of Governors and its work is available at:
wwl.nhs.uk/council-of-governors

Our membership

Our membership is an essential and valuable asset. There are two membership categories: public and staff. Anyone who lives in Wigan, Leigh or Makerfield is eligible to apply for membership of the foundation trust as a public member of the respective constituency. We also welcome applications for membership from individuals who live outside of these areas to the Rest of England and Wales constituency.

Our staff automatically become members of the foundation trust if they have a contract of employment which has either no fixed term, or a fixed term of at least 12 months, or they have been continuously employed by us for at least 12 months, unless they choose to opt out.

Our constitution places a small number of restrictions on membership, and these are as follows:

- it is only possible to be a member of one constituency at any one time;
- a member of staff may only be a member of a staff constituency whilst they are employed by us (they cannot choose to be a member of the public constituency instead);
- individuals must be at least 16 years of age to become a member; and

- the criteria set out in the constitution which prevent an individual from becoming or continuing as a member must not be satisfied

The table below provides a summary of our membership as at 31 March 2021 and comparative figures for the previous year have also been provided:

Constituency	No. members as at 31 Mar 2021	No. members as at 31 Mar 2020	Change
Public: Leigh	1,850	1,868	-18
Public: Makerfield	1,996	2,015	-19
Public: Wigan	2,505	2,535	-30
Public: Rest of England and Wales	2,591	2,617	-26
Staff: Medical and Dental	268	259	+9
Staff: Nursing and Midwifery	1,728	1,691	+37
Staff: All other staff	4,150	3,992	+158
Total members:	**15,088**	**14,977**	**+111**

In order to monitor the representativeness of our membership, we have access to a membership profiling tool which is provided by Civica Election Services on our behalf. We can confirm that our membership remains broadly representative of the communities we serve.

If you would like to become a member of the foundation trust, please visit:
wwl.nhs.uk/become-a-trust-member

The Audit Committee

The role of the Audit Committee is to provide independent assurance to the board on the effectiveness of the governance processes, risk management systems and internal controls on which the board places reliance for achieving its corporate objectives and in meeting its fiduciary responsibilities. It is authorised by the board to investigate any activity within its terms of reference and to seek any information it requires from staff. The review of systems of internal control undertaken by the board was informed by the work of the Audit Committee.

The committee considers both the internal and external audit work plans and receives regular updates from both the internal and external auditors. The committee also receives an anti-fraud update at each of its meetings. The local anti-fraud function is very important in identifying and preventing fraud and operational risks to the organisation. We have a zero-tolerance policy in respect of fraud, corruption and bribery and investigations are carried out if evidence supports this. We have a mandatory training e-learning anti-fraud module which has been rolled out across the foundation trust and all staff are required to complete this on a bi-annual basis. Our Fraud Specialist Manager works with staff and management in identifying areas of potential fraud risk and coordinates this work with external partners.

In addition to these areas which are routinely considered throughout the year, the other significant areas that the committee has considered in relation to the financial statements, wider operations and organisational compliance were:

- the findings of a mutually agreed audit undertaken by the Information Commissioner's Office for which a reasonable assurance level was provided. The committee noted that a total of 64 recommendations had been made across two key domains – governance and assurance, and training and awareness and noted that a follow-up audit would be undertaken in 2021/22;

- a number of limited assurance internal audit reports in key areas such as Freedom to Speak Up and risk management. The committee received an update from the executive lead for Freedom to Speak Up around the intention to implement more robust arrangements through the use of an external service provider and from the executive lead for risk management around the actions that were being implemented to address the audit recommendations;

- an assurance review of the format of the assurance framework; and

- the high assurance level allocated to an internal audit of key financial systems and the substantial assurance level given to an internal audit of IT infrastructure, which had been commissioned by the committee in response to an audit in the previous year which had highlighted a number of areas of concern.

Deloitte LLP has continued to serve as our external auditors for the financial year 2020/21, with the tender for the service having been undertaken during 2016/17. No non-audit services were provided by Deloitte during 2020/21. During the year we ran a tender exercise and this resulted in KPMG being selected as our external auditor from next year. We will ensure a smooth transfer of external audit services over the coming months.

A key aspect of the Audit Committee's work is to consider significant issues in relation to financial statements and compliance. As part of the preparation for the audit of financial statements, Deloitte undertook a risk assessment and identified a number of risks, including management override of controls and accounting for capital expenditure. These are the usual audit risks prescribed by professional auditing standards and do not imply any particular control issues within the foundation trust.

Mersey Internal Audit Agency (MIAA) carries out our internal audit function. The Audit Committee and the Chief Finance Officer work with MIAA to agree the internal audit plan and key performance indicators for assessing their performance and effectiveness. MIAA provides us with benchmarking data, updates on assurance frameworks and briefing notes on a range of current issues. In particular, MIAA provide good briefing sessions for chairs of audit committees, governors and staff.

Audit Committee membership and attendance during 2020/21 was as follows:

Name	A	B	%
Clare Austin	4	4	100%
Rhona Bradley	4	4	100%
Steven Elliot	3	4	75%
Ian Haythornthwaite (Chair)	4	4	100%

A: Number of meetings attended
B: Total number of meetings the director could have attended

More information about the Audit Committee is available at:
wwl.nhs.uk/audit-committee

The Remuneration Committee

The Board of Directors has established a Remuneration Committee. Its responsibilities include consideration of matters relating to the remuneration and terms and conditions of office of the executive directors. The committee comprises all non-executive directors and is chaired by Robert Armstrong. Attendance information is provided on page 35.

The Chief Executive attends the committee in relation to discussions around board composition, succession planning, remuneration and performance of executive directors. The Chief Executive is not present during discussions relating to his own performance, remuneration or terms of service.

More information about the Remuneration Committee is available at:
wwl.nhs.uk/ remuneration-committee

The Nomination and Remuneration Committee

The Council of Governors has established a Nomination and Remuneration Committee. Its responsibilities include consideration of matters relating to the appointment, remuneration and other terms and conditions of service of the non-executive directors and providing recommendations to the Council of Governors for consideration. Membership and attendance information is provided on page 36.

More information about the Nomination and Remuneration Committee is available at
wwl.nhs.uk/nomination-and-remuneration-committee

NHS England and NHS Improvement's single oversight framework

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

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

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

Segmentation

WWL is currently placed in segment 2 of NHSI's Single Oversight Framework (providers offered targeted support; potential support needed in one or more of the five themes but not in breach of licence and/or formal action is not needed) as notified by NHS Improvement. This segmentation information represents the position as at 31 March 2021.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

For current segmentation, please visit **https://www.england.nhs.uk/financial-accounting-and-reporting/single-oversight-framework-segmentation/**

Statement of the Chief Executive's responsibilities as the Accounting Officer of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the National Health Service Act 2006, has given Accounts Directions which require Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

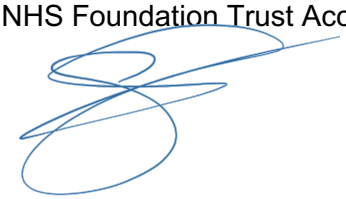
In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust’s performance, business model and strategy; and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.



Silas Nicholls
Chief Executive and Accounting Officer

9 June 2021

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

As Accounting Officer I have ultimate accountability and responsibility for leading our risk management arrangements on behalf of the board. Executive leadership for risk management during the year sat with the Director of Strategy and Planning and, following an organisational restructure, day-to-day responsibility transferred from the former Director of Governance's portfolio to that of the Director of Corporate Affairs on 1 September 2020. As part of this restructure we have invested in a dedicated Head of Risk post and we were delighted to welcome the successful post holder to WWL earlier this week.

Leadership arrangements for risk management are documented in our risk management strategy and are further supported by the board assurance framework and individual job descriptions. The risk management strategy outlines our approach to risk and the accountability arrangements, including the responsibilities of the board and its committees, executive directors and all employees. During the year we have done a significant amount of work on our risk management arrangements and we will be incorporating these new arrangements into the risk management strategy and associated documentation when we review them during the first half of FY2021/22.

Active leadership from managers at all levels to ensure effective risk management is a fundamental part of an integrated approach to quality, corporate and clinical governance, performance management and assurance. Our Risk Management Group is usually chaired by the Director of Strategy and Planning and it reviews all risks scoring 15 and above (more information on the scoring methodology used is provided below). As part of my responsibilities as Accounting Officer, I undertake regular reviews of our systems and processes and I have recently undertaken a deep dive into our risk management arrangements. As part of this, I chaired the Risk Management Group meetings in April and May and will also chair the June meeting. Doing so allows me to get a good oversight of the arrangements but also allows me and other executive colleagues to reinforce the importance of this issue and the need for clear line of sight to the executive team.

The board and its committees receive and scrutinise the risks to achieving our corporate objectives through the board assurance framework. Despite the operational pressures which faced the organisation and the wider NHS during the year, we took a conscious decision to continue to hold monthly Risk Management Group meetings and to maintain other risk-related activities to ensure a dedicated focus on the risks facing the organisation. We have not stood still either and we have completely revised our approach the board assurance framework for FY2021/22. In doing so, we had regard to the views of our internal auditor and NHS benchmarking information that was made available to us.

We had originally planned to introduce an Executive Risk Oversight Group into the organisation with effect from 1 April 2020 to review risks and to provide scrutiny and challenge to both the scoring and the management of the risk. The introduction of this group was delayed because of the current challenges in dealing with the COVID-19 pandemic, but we have still ensured the oversight of risk at an executive level through the provision of regular reports to the executive team and attendance of executive directors at Risk Management Group meetings. This focus and accountability will continue as we review our risk management arrangements and particularly as we review the detail of the risks contained on our corporate risk register. In conjunction with the Head of Risk we will review whether these arrangements are sufficient or whether we need to introduce the Executive Risk Oversight Group as intended.

As part of the on-boarding process, all new members of staff are required to attend a mandatory induction and undertake e-learning training covering key elements of risk management within two months of their appointment. This is also supplemented by local induction. The training is designed to provide an awareness and understanding of the risk management strategy, the risk management process and to give practical experience of completing risk assessment paperwork. Additional training is made available to all levels of staff, covering areas such as fire safety, health and safety, moving and handling, resuscitation and first aid.

We aim to learn from good practice and we normally hold an annual clinical audit conference, although this had to be cancelled in 2020/21 as a result of COVID-19. We normally also undertake regular grand rounds for doctors to discuss specific topics and to highlight best practice. We also look for examples of good practice from across the sector and beyond to inform our risk management practices.

The risk and control framework

We have a well-established governance structure, as described within our risk management strategy which is endorsed by the board. We use the ‘5 steps to risk assessment’ approach to (1) identify the hazards; (2) decide who may be harmed and how; (3) evaluate the risk and agree necessary precautions; (4) record and communicate findings; and (5) review and revise. There are specific risk assessment requirements for particular types of risks. We use a 5 x 5 risk matrix, where both the consequence and the likelihood of a risk materialising are allocated a score and multiplied to provide an overall risk score. Risks are identified through risk assessment and analysis of data from other intelligence sources such as concerns, incidents and near misses, serious incidents, never events, formal and informal complaints, litigation cases or clinical audits.

During the year we began to introduce a process of categorising risks in relation to how they will be dealt with, although there is still some further work to do to embed this. This corporate approach sets out five ways in which risks can be managed:

- a risk can be **treated** by taking mitigating action to reduce it to a tolerable level as identified through a target risk score;
- it may be that, in line with the foundation trust's risk appetite statement approved by the board, a risk can be **tolerated** – either in its initial form or following mitigation to reach the target risk score;
- we may take the decision to **transfer** the risk, such as by taking out an insurance policy or commissioning the services from a third-party supplier;
- where risks are of such significance that there are no other alternatives, we may decide to **terminate** the risk by stopping the associated activities; or
- we may **take the opportunity** associated with the risk for the benefit of the foundation trust.

Risks resulting in a risk score of 15 or more are presented at the management-level Risk Management Group for discussion and the group reviews both the risk and its score. Where the risk score remains at 15 or above, it is included on the corporate risk register. If the risk score reduces below 15, it is monitored as part of the relevant divisional risk register and regularly reviewed. If subsequent escalation is required, this follows the same process.

Risks awarded a risk score of 15 and above are managed by the relevant Director of Operations or Head of Service and the actions to address them are scrutinised on a regular basis at the Risk Management Group.

Any risks that score between 20 and 25 for a three-month period are escalated to the relevant committee using our corporate risk escalation approach. Risk escalations are a standing agenda item for the Risk Management Group and for all committees reporting to the board.

The board assurance framework outlines risks to the achievement of our corporate objectives. This includes the delivery of developing national and local priorities. Each corporate objective is allocated to a lead executive director for management and to a committee of the board or to the board itself for oversight. The relevant entries on the board assurance framework are reviewed at each meeting and the board reviews the complete board assurance framework at each meeting.

Risk management during COVID-19

In March 2020 the board reviewed and revised its risk appetite statement in response to the global COVID-19 pandemic. The board recognised the importance of supporting directors, senior managers and other key decision makers throughout the pandemic by setting out a revised risk appetite statement. As a further control measure, the board committed to reviewing the risk appetite statement at each meeting to assess its continuing relevance, and it made changes to the risk appetite statement in September 2020 and March 2021.

We care about each and every one of our patients and we will always do our utmost to preserve life, protect our patients from further harm and to promote recovery. The board recognises, however, that all healthcare providers operate within a set of finite resources and that difficult decisions must be taken in times of significant challenge to determine the most appropriate allocation of those resources. Such decisions will always be made on a clinical basis, weighing up factors such as potential benefits against the clinical risk and considering the likelihood of success.

The board was clear that, where decisions are taken during the COVID-19 pandemic that would not be taken under normal circumstances and these negatively impacted on patients, it is committed to ensuring that the foundation trust does its utmost to limit the negative impact to the smallest number

possible. Regrettably, the board acknowledged that it is impossible to say that decisions it may need to take under such circumstances will never have a negative impact on patient safety and that the foundation trust will operate along the well-established principle of triage in seeking to do the greatest good for the greatest number.

The board determined the organisational risk appetite during the COVID-19 pandemic as follows:

Quality, innovation and outcomes	We have a **LOW** appetite for risks which materially have a negative impact on patient safety. We have a **MODERATE** appetite for risks that may compromise the delivery of outcomes without compromising the quality of care. We have a **SIGNIFICANT** appetite for innovation that does not compromise the quality of care.
Financial and value for money	We have a **SIGNIFICANT** appetite for financial risk in respect of meeting our statutory duties. We have a **HIGH** appetite for risk in supporting investments for return and to minimise the possibility of financial loss by managing associated risks to a tolerable level. We have a **MODERATE** appetite for risk in making investments which may grow the size of the organisation.
Compliance/ regulatory	We have a **HIGH** appetite for risks which may compromise our compliance with statutory duties or regulatory requirements.
Reputation	We have a **HIGH** appetite for actions and decisions that, whilst taken in the interest of ensuring quality and sustainability of the patient in our care, may affect the reputation of the organisation.

The current risk appetite statement, correct as at the date of signing this report, is as follows:

Quality, innovation and outcomes	We have a **LOW** appetite for risks which materially have a negative impact on patient safety. We have a **LOW** appetite for risks that may compromise the delivery of outcomes without compromising the quality of care. We have a **SIGNIFICANT** appetite for innovation that does not compromise the quality of care.
Financial and value for money	We have a **MODERATE** appetite for financial risk in respect of meeting our statutory duties. We have a **MODERATE** appetite for risk in supporting investments for return and to minimise the possibility of financial loss by managing associated risks to a tolerable level. We have a **MODERATE** appetite for risk in making investments which may grow the size of the organisation.
Compliance/ regulatory	We have a **MODERATE** appetite for risks which may compromise our compliance with statutory duties or regulatory requirements.
Reputation	We have a **MODERATE** appetite for actions and decisions that, whilst taken in the interest of ensuring quality and sustainability of the patient in our care, may affect the reputation of the organisation.

The last formal review of our corporate governance arrangements was undertaken by Deloitte LLP in 2017/18 and no major areas of concern were identified. We developed an action plan as a result of this review and have continued to monitor progress against this during the year. We had planned to commission another detailed review of our corporate governance arrangements using the NHS well-led framework during FY2020/21 however this was impacted by COVID-19. We are therefore intending to undertake this review during H1 2021/22.

The independent review by Deloitte in 2017/18 concluded that we have an appropriate combination of structures and processes in place at and below board level to enable the board to be assured of the quality of care we provide. Maintaining an effective quality governance system supports our compliance against national standards and we are committed to the continuous improvement of our systems. As a result, we have undertaken a review of our board and committee reporting arrangements this year and implemented a number of changes in order to improve efficiency, such as the streamlining of committee membership, changes to meeting frequency and a revised report template which requires key matters to be identified upfront.

The key quality governance committee is the Quality and Safety Committee which is chaired by a non-executive director. This committee seeks assurance that high standards of care are provided and ensures that there are adequate and appropriate governance structures, processes and controls in place across the organisation.

Groups which report into the Quality and Safety Committee include dedicated groups around safeguarding, medicines management, infection control and health and safety. The committee reviews the minutes of divisional quality executive committees as part of a rolling programme of deep dives.

An important element of achieving high quality care is ensuring that our workforce has the capacity and capability to deliver improvement. We have a well-established quality faculty and staff from all parts of the organisation have voluntarily signed up to be quality champions. These staff members have attended either our in-house quality improvement methods training programme or training provided by partner organisations such as AQuA or NHS QUEST. The overarching aim of the quality faculty is to involve and encourage staff to participate in improving services for patients. Staff are recognised for the improvements achieved through the awarding of bronze, silver and gold badges. There are a number of projects underway by quality champions who provide the driving force and resource to energise our quality plans and ensure that principles are embedded at ward and team level.

The quality of performance information is assessed at divisional and corporate levels through the quality executive committee structures and divisional quarterly performance reviews. Information data quality is reviewed by the Data Quality Group.

We were inspected by the Care Quality Commission in October and November 2019 and the report of this inspection was published in February 2020. The inspection comprised two elements – the first being an unannounced inspection of three core services and the second being the annual well-led inspection.

The core services that were inspected were:

- surgery;
- critical care; and
- maternity

We are proud that our overall provider level was found to be Good with all sites being rated as either Good or Outstanding. We continue to maintain regular contact with our lead inspector and quarterly engagement meetings are held, where emerging issues can be discussed and addressed at an early stage.

Data security

The information governance work programme and performance against the national Data Security and Protection Toolkit and risks associated with data security are closely monitored by the Caldicott Group, which is chaired by the Medical Director as Caldicott Guardian.

The Director of Strategy and Planning is the nominated director for information risk and is the Senior Information Risk Owner.

As a public authority, we have appointed a Data Protection Officer in accordance with the requirements of the Data Protection Act 2018. This post operates independently and reports directly to the board.

Our major risks

Our major risks are included on the board assurance framework and included the following for 2020/21:

Patients:	▪ Challenges with isolating patients with infectious conditions in a timely manner due to a lack of side rooms; ▪ Safeguarding documentation pathways and the use of the electronic patient record; ▪ National challenges around the supply of syringe drivers; ▪ Inability to recruit to required staffing levels, in particular nurse staffing; ▪ Patient flow issues, compounded by the requirement to provide different types of ward for different categories of COVID involvement; ▪ Pressure ulcer prevention and concerns around completion of documentation; and ▪ The foundation trust being an outlier in terms of Summary Hospital-level Mortality Indicator performance
People:	▪ The challenges associated with the ability to recruit and retain to required staffing levels for service delivery and service development plans; ▪ Lack of assurance around medical job plans with the potential to lead to both negative service and financial impacts for the foundation trust; ▪ Breaching the NHS Improvement agency ceiling; ▪ Challenges with staff accessing the intranet system, with an associated impact on their ability to access policies and procedures; ▪ Challenges with meeting the government's apprenticeship targets; ▪ Sickness absence being above target and not delivering the level of reduction anticipated; and ▪ Declines in safety culture and staff confidence in reporting errors, near misses and incidents

Performance:	▪ Risk of failure or vulnerability of back-end infrastructure resulting in reduced or no access to IT systems; ▪ Risks around system-level funding and whether allocations will cover expenditure fully; and ▪ Numerous IT-related risks
Partnerships:	▪ Lack of tier 4 beds for child and adult mental health patients; and ▪ Non-achievement of key performance indicators relating to cellular pathology.

These risks are likely to remain the same for FY2021/22. There are also likely to be additional risks arising from our recovery from the COVID-19 pandemic, particularly around staff wellbeing and resilience.

Principal risks to compliance with the NHS foundation trust licence condition

The board has not identified any principal risks to compliance with provider licence condition FT4. This condition covers the effectiveness of governance structures, the responsibilities of directors and committees, the reporting lines and accountabilities between the board, its committees and the executive team.

The board is satisfied with the timeliness and accuracy of information to assess risks to compliance with the foundation trust's licence and the degree of rigour of oversight it has over performance.

Corporate governance statement

The board acknowledges that it is essential that the correct combination of structures and processes is in place at and below board level to enable the board to assure the quality of care that the organisation provides. We are committed to the continuous improvement of these structures and processes.

The review of leadership and governance undertaken in 2017/18 using NHS England and Improvement's well-led framework identified no areas of concern and numerous areas of good practice. Progress against our action plan was reported through the board and has now been closed. This contributes to the board's ability to assure itself of the validity of the corporate governance statement we submit to NHS Improvement in accordance with our provider licence condition.

Risk management

Risk management is embedded in our activities - for example, equality impact assessments are integrated into core business. Control measures are in place to ensure compliance with our obligations under equality, diversity and human rights legislation. We continue to demonstrate compliance with the general and specific duties of the Public Sector Equality Duty on an annual basis through publishing relevant equality information as part of our annual inclusion and diversity monitoring report. We also undertake an assessment of current performance against the criteria stated in the national equality delivery system on an annual basis. We have continued to review and assess performance in collaboration with staff and local stakeholders, using this framework as well as identifying priorities going forward.

Progress against our action plan and equality objectives is monitored by the Inclusion and Diversity Steering Group on a quarterly basis and is overseen by the People Committee. An inclusion and

diversity operational group, which reports to the steering group, meets on a quarterly basis and takes a lead role in supporting the delivery of the action plan.

From 1 April 2015, all NHS organisations were required to demonstrate how they are addressing race equality issues in a range of staffing areas through the nine-point Workforce Race Equality Standard metric. This standard has been fully embedded within current practice. We are also continuing to work closely with Wigan Borough Clinical Commissioning Group to implement the Accessible Information Standard.

During the year we continued to undertake equality impact assessments on all policies and practices to ensure that any new or existing policies and practices do not disadvantage any group or individual.

Risk management is also embedded into the activity of the organisation through incident reporting. This is openly encouraged throughout the organisation and a 'just culture' is promoted.

We are in the top 25% of NHS organisations in relation to patient safety incidents reported to the National Reporting and Learning System and we report higher-than-average numbers of near misses. We consider this to be a positive position as it demonstrates that we have a strong culture of reporting and learning from incidents. Our approach to incident management is set out in our incident reporting policy. Identification and investigation of serious incidents and never events is undertaken by the Executive Scrutiny Group which is chaired by the Chief Nurse and attended by the Medical Director.

That said, we recognise the need to further refine our risk management arrangements and we have invested in a dedicated post to help us do so. During the year we also asked our internal auditors to support us by undertaking an internal audit of our risk management arrangements and we are grateful to them for the rigour with which they have done so. The findings of this audit allow us to truly focus our efforts on ensuring that we develop our arrangements and there will be an emphasis on training and development during the year.

Key stakeholders, including patients, our public and staff membership and local partner organisations are engaged on service developments and changes. We are also working across the local health economy including engagement with Wigan Borough Clinical Commissioning Group's Locality Plan on the delivery of integrated care pathways.

We facilitate lay representation on a number of our key committees, including having governors on our Quality and Safety, Finance and Performance and People Committees. Governors also participate in PLACE visits, which is a nationally recognised system for assessing the quality of the patient environment, and they usually join with an executive and non-executive director in undertaking leadership and safety walks on a regular basis, although we have been unable to facilitate these in-year due to the national restrictions in place.

We recognise that risk management is a two-way process between healthcare providers across the health economy. Issues raised through our internal risk management processes that impact on partner organisations are discussed in the appropriate forum so that action can be agreed.

The Board has oversight of the workforce strategies via the People Committee which meets quarterly. The committee seeks assurance on the foundation trust's strategic priorities and any key themes, including safe staffing reports where modelling exercises have been undertaken to assess workforce staffing levels against patient acuity and requirement in comparison with national guidance such as the Royal College of Physicians. The People Committee also approves overarching strategies that fundamentally lead to safe, sustainable and effective staffing, such as our Recruitment

and Retention Strategy and Apprenticeship Strategy. The board is sighted on the NHS Long Term Plan, specifically in relation to digital development and has implemented eJob Planning for medical staff. We will also consider expansions to eRostering and eJob Planning for wider workforce groups should capital resource funding be available via any bidding process. This will enable broader reporting on all staffing groups, thus providing additional assurance to the board.

Adhering to the principles of safe staffing, as defined in the national guidance *Developing Workforce Safeguards*, we use evidence-based tools and data such as the Safer Nursing Care tool, Birthrate Plus, eRostering and model hospital. Alongside this we use professional judgment and patient outcome information such as real-time patient surveys or mortality data to ensure workforce planning is responsive to need and proactive in relation to forward planning. The implementation of the Allocate Safe Care module as part of our electronic roster system has also enhanced and transformed our ability to respond to the requirements of our patients and their daily needs as they change.

The People Committee also oversees our wider talent management, leadership development and training initiatives designed to create resilience and capacity within the workforce. Our Nursing, Midwifery, Therapy and Care Staff Strategy reinforces this work in respect of the nursing, midwifery and therapy workforce and delivery of patient care and also defines our approach to vacancy gaps and turnover.

Nurse staffing is reported to the board at each meeting. On a quarterly basis, the People Committee considers staffing from workforce activity reports and any associated long-term risks. The Risk Management Group reviews and oversees all corporate risks including those related to staffing.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

The foundation trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the foundation trust with reference to the guidance) within the past twelve months, as required by the *Managing Conflicts of Interest in the NHS* guidance.

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

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

Review of economy, efficiency and effectiveness of the use of resources

We have robust arrangements in place for setting financial objectives and targets, although this year it has been difficult to do so in the traditional way given the uncertainties around future financial years. Our arrangements include ensuring the financial plan is achievable, ensuring the delivery of

efficiency requirements, compliance with our provider licence and the co-ordination of financial objectives with corporate objectives as approved by the board:

- objectives are approved and monitored through a number of channels, including regular review of the foundation trust's financial position by a dedicated Finance and Performance Committee;
- approval of annual budgets by the board;
- formal acceptance of annual budgets by delegated budget holders;
- monthly reporting to the board, via its committees, on key performance indicators covering quality and safety, finance, and workforce targets;
- scrutiny of divisional performance against objectives at sub-board committees;
- regular divisional performance reviews;
- reporting to NHS Improvement and compliance with our provider licence;
- service transformation managed by a dedicated Transformation Team;
- in-year cost pressures are rigorously reviewed and challenged, and alternatives for avoiding cost pressures are always considered; and
- a robust assessment process for business cases.

We also participate in initiatives to ensure value for money, for example:

- value for money is an important component of the internal and external audit plans that provides assurance to the board regarding processes that are in place to ensure effective use of resources;
- on-going benchmarking and tenders of operations occur throughout the year to ensure the competitiveness of service;
- we use numerous data sources in order to undertake comparative analysis. This analytic either provides assurances or helps identify opportunities for improvement in care provision;
- service line reporting is used by divisional managers to seek to improve financial performance;
- CQUINs are negotiated and signed off by clinical, operational and finance directors and operational leads are assigned for each scheme; and
- An on-line intelligence tool allowing individual budget holders to see their in-month and cumulative budget performance.

We have outsourced our transactional financial processing activities to NHS Shared Business Services, for which there is a contract in place which clearly outlines the roles and responsibilities of both organisations. We regularly review key performance indicators and we meet regularly to discuss any issues or concerns.

NHS Shared Business Services has processes and procedures in place which are compliant with central government standards as outlined in the information assurance maturity model and the NHS information governance assurance framework and it provides annual updates on the testing of controls and operations within its shared business facilities in the form of an International Standard on Assurance Engagements 3402 (ISAE3402) report. For 2020/21 the ISAE3402 report issued to NHS Shared Business Services by PricewaterhouseCoopers was qualified as a result of an exception in the operation of Control O2C4 relating to ensuring that sales ledger transactions processed by NHS Shared Business Services are authorised by the appropriate client user on the approved user hierarchy. PricewaterhouseCoopers found an exception which indicated that the

control did not operate effectively throughout the entire reporting period. For 1 out of 25 samples, a credit request was actioned by NHS Shared Business Services when the client did not have the appropriate approval limit.

The Directors of NHS Shared Business Services provided a management response within the ISAE3402 report, noting that the cause of this error had been identified as human error and that the error had been retrospectively approved by the impacted client with the transaction having been validated as true and accurate. As a result, processes and control training had been provided to all users to prevent recurrence. Additionally, a review is currently underway to evaluate the benefit of a supplementary control being added downstream and any options to automate to remove risks around human intervention.

Information governance

Our information governance team recorded 1,263 information governance incidents between 1 April 2020 and 31 March 2021, and we reported 23 incidents to the Information Commissioner's Office (ICO) during this period. Of these, 20 were closed by the ICO with no further action being taken and 3 incidents remain open with the ICO.

The incidents reported to the ICO related to serious breaches of confidentiality and security where patient information had been shared inappropriately and in contravention of data protection legislation. Examples include a letter containing sensitive information being sent to an incorrect address, information disclosed to a family member in error, information shared via email to an incorrect recipient and inappropriate access of information. On this latter issue, during the year we have invested in software which proactively searches for potential instances of inappropriate access and these are then followed up by our information governance team.

During 2020/21 we invited the ICO to undertake an audit of our data protection practices to allow us to further improve in this area, and the recommendations are monitored on a regular basis via an action plan.

The information governance team works across the organisation to offer guidance and to support the implementation of remedial actions to address any shortfalls in controls where identified, in order to manage risk. All information governance incidents are reported on Datix, our incident management system, which aligns with regulatory requirements.

Data quality and governance

We recognise that all our decisions - whether clinical, managerial or financial - should be based on information which is of the highest quality and our Data Quality Group, chaired by the Director of Strategy and Planning, monitors data quality standards.

Clinical quality improvements are monitored by both the Clinical Advisory Group and Professional Advisory Group. Escalation arrangements include, where necessary, referral to the Quality and Safety Committee and to the board.

The Clinical Audit and Effectiveness Group monitors an annual corporate clinical audit programme. Systems and processes for clinical audit are monitored by the Audit Committee.

Complaints, serious incidents, clinical negligence claims, employee liability claims and inquests are monitored on a weekly basis by the Executive Scrutiny Group. Membership includes the Chief Nurse,

Deputy Chief Nurse, Medical Director, Responsible Officer and governance, pharmacy and safeguarding team members.

Investigations and action plans following serious incidents are reviewed and monitored by the Serious Incident Requiring Investigation Panel. Membership includes a representative from Wigan Borough Clinical Commissioning Group and a governor.

A quarterly “safe, effective and caring” report is presented to the Quality and Safety Committee and this is also shared with our commissioners and is received by all directors.

Each division has a quality dashboard that is monitored at Divisional Quality Executive Group meetings. Quality impact assessments are undertaken for all cost improvement proposals which require the authorisation of the Medical Director and the Chief Nurse.

It is the responsibility of all staff to ensure timely and accurate capture of information to ensure high standards of data quality as defined in our Data Quality Policy. Information plays a key role in the management of patient care and provides the source for operational and management reporting across the organisation. Data accuracy is monitored by the Data Quality Group via the annual audit plan where assurance or remedial plans are agreed and monitored.

We use a specific application for monitoring and managing elective waiting lists. The application is visible to all clinical services in order for them to validate their own waiting list information as well as our business intelligence team which monitors performance and compliance at an organisational level.

Review of effectiveness

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

Maintaining and reviewing the effectiveness of the system of internal control has been undertaken with consideration of the following:

- the board assurance framework provides evidence of the process of the effectiveness of controls that manages the principal risks to the organisation
- the Board of Directors, Audit Committee, Quality and Safety Committee, the Risk Management Group and the Executive Scrutiny Group advise me on the implications of the results of my review of the effectiveness of the system of internal control. These committees also advise outside agencies in relation to serious events
- all the relevant committees within the corporate governance structure have a timetable of meetings and a reporting structure to enable issues to be escalated
- the board monitors and reviews the board assurance framework on a monthly basis. Responsibility for reviewing risks noted on the board assurance framework was devolved to

the Finance and Performance Committee, People Committee, Quality and Safety Committee and Board of Directors

- a Safe, Effective and Caring report is presented to the Quality and Safety Committee, providing assurance to the board on effective risk controls
- the Audit Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities - both clinical and non-clinical - that supports the achievement of the organisation's objectives
- the Audit Committee reviews performance against the NHS Foundation Trust Code of Governance
- clinical audit processes are a key element of maintaining and reviewing the effectiveness of the system of internal control. We have an annual corporate clinical audit programme and the Audit Committee regularly reviews clinical audit processes by receiving an annual self-assessment against national clinical audit standards and quarterly and annual clinical audit reports
- internal auditors review the board assurance framework and the effectiveness of the system of internal control as part of the internal audit work to assist in the review of effectiveness. The internal auditors reviewed the assurance framework and concluded that whilst the organisation's assurance framework is structured differently to the requirements set out in NHS guidance, it is visibly used by the board and clearly reflects the risks discussed by the board. Feedback from the auditors on the format of the board assurance framework has been instrumental in designing the new format assurance framework that is now in place.
- 5 internal audits undertaken in 2020/21 were given limited assurance: for induction processes, in respect of our Freedom to Speak Up processes, regarding attendance management for medical staff, concerning divisional safeguarding compliance and in relation to risk management. Management actions have been put in place to address the issues raised in each of these areas and follow up reviews by the internal auditors have demonstrated good progress against action plans to improve systems and control in line with agreed time frames. Of the 51 recommendations issued by the internal auditors during the year, all were accepted by management. 15 of the recommendations were described as high-risk recommendations and were addressed immediately, with follow-up on the recommendations taking place. We have placed particular emphasis on the review of our risk management arrangements and I have personally sought assurances around the robustness of the arrangements that are in place.

Whilst recognising that there are areas for us to improve on, the Head of Internal Audit Opinion for the period 1 April 2020 to 31 March 2021 provides substantial assurance that there is a good system of internal control designed to meet the organisation's objectives and that controls are generally being applied consistently. The Internal Audit Standards Advisory Board (IASAB) issued guidance regarding conformance with the Public Sector Internal Audit Standards during the coronavirus pandemic and all the work of the internal auditors has been delivered in full compliance with the Public Sector Internal Audit Standards.

MIAA adopted a pragmatic approach to the delivery of the internal audit service during the year, with a focus on delivery of the Head of Internal Audit Opinion. This is also in line with IASAB guidance.

The impact on the organisation of COVID-19 required the internal auditors to review the internal audit risk assessment and plan on a regular basis. As part of this assessment, they took account of:

- How we had implemented guidance from NHS England and NHS Improvement whilst still discharging our stewardship responsibilities;
- Any revisions to our strategic priorities as well as any emerging areas for internal audit focus;
- Independent assurance requirements on how COVID-19 costs are captured and claimed across a range of areas; and
- Mandated review requirements and audits from which a professional internal audit perspective are pre-requisite to ensuring sufficient coverage for a robust Head of Internal Audit Opinion.

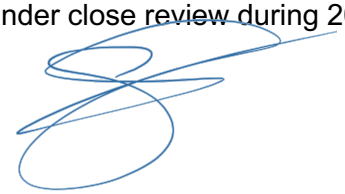
Internal audit review coverage has therefore been focused on:

- Our assurance framework;
- Core and mandated reviews, including follow-up; and
    - A range of individual risk-based reviews.

Throughout the year, we had to implement alternative ways of working in response to the COVID-19 situation. This saw staff working from home in significant numbers and without conventional access to relevant systems. We very quickly sourced and deployed additional laptops and virtual private network tokens and we prioritised the use of these to ensure that key members of staff with roles associated with the control environment could continue to function effectively. We also ensured a risk-assessed presence on site during the establishment of these arrangements as a fallback. The impact of these changes on the overall system of control was therefore minimal.

Conclusion

My review confirms that Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust has sound systems of internal control, with no significant control issues having been identified. In reaching this conclusion, the fact that NHS Shared Business Services received a qualified opinion from its auditors has been considered. Taking account of the wider context and additional assurances received, this issue is not considered to be significant at this time, although it will be kept under close review during 2021/22.



Silas Nicholls
Chief Executive and Accounting Officer

9 June 2021

This accountability report is signed by me in my capacity as Accounting Officer.

Silas Nicholls
Chief Executive and Accounting Officer

9 June 2021

INDEPENDENT AUDITOR'S REPORT.

Independent auditor's report to the council of governors and board of directors of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust (the 'foundation trust'):

- give a true and fair view of the state of the foundation trust's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 28.

We have also audited the information in the Remuneration Report and Staff Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on pages 37 to 39;
- the table of pension benefits of senior managers and related narrative notes on page 40 to 41;
- the table of pay multiples and related narrative notes on pages 42 and 43; and
- the table of exit packages and related narrative notes on page 58.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the foundation trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts , which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the foundation 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 foundation trust without the transfer of the foundation trust's services to another public sector entity.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the foundation trust and its control environment, and reviewed the foundation trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the foundation trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the foundation trust's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- accounting for capital expenditure and specifically the risk that assets were incorrectly capitalised either due to cut off or incorrect application of the definition of a capital item: we tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature; we agreed a sample of capital additions to supporting documentation and assessed whether the capitalised expenditure is recognised in the correcting accounting period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability 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

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 , we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work in respect of the foundation trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the foundation trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation 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 foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in April 2021, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, 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 respect of these matters.

Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report). We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

Use of our report

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Hewitson (Key Audit Partner) For and on behalf of Deloitte LLP Appointed Auditor
Leeds, United Kingdom
15 June 2021

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2021 issued on 15 June 2021 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the foundation trust's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2021 issued on 15 June 2021, we had not completed our work on the foundation trust's arrangements, and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2021 issued on 15 June 2021, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and. We have now completed our work in this area.

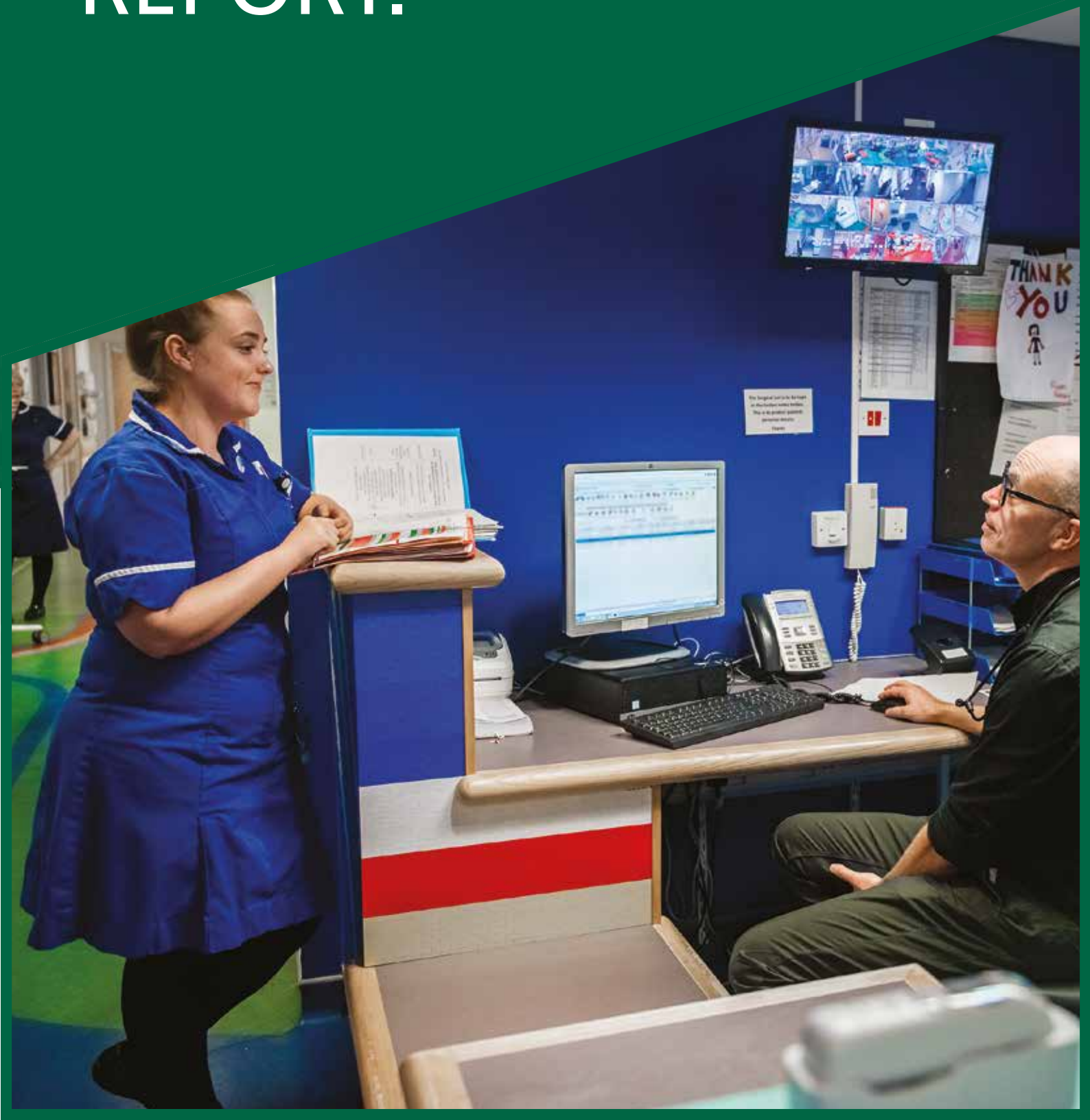
No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave our opinion.

We have nothing to report in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Paul Hewitson (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Leeds, United Kingdom
16 September 2021

FINANCIAL REPORT.



Foreword to the accounts

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2021, have been prepared by Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Silas Nicholls
Chief Executive

Date **9 June 2021**

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust - Annual Accounts 2020/21

Statement of Comprehensive Income for the year ended 31 March 2021

	Note	2020/21 £000	2019/20 £000
Operating income from patient care activities	2	383,588	362,343
Other operating income	3	71,202	35,279
Total operating income from continuing operations		**454,790**	**397,622**
Operating expenses	4	(463,795)	(393,698)
Operating (deficit)/surplus from continuing operations		**(9,005)**	**3,924**
Finance costs			
Finance income	7	(3)	363
Finance expenses	8	(332)	(358)
PDC dividends payable		(3,309)	(3,477)
Net finance costs		**(3,644)**	**(3,472)**
Loss on disposal of fixed assets	9	(64)	(163)
Gains from transfers by absorption	27	103	7,913
(Deficit)/Surplus for the year		**(12,610)**	**8,202**
Other comprehensive income			
Will not be reclassified to income and expenditure			
Impairments	11	(3,208)	(13,305)
Revaluations	12	5,266	3,936
Total comprehensive expense for the year		**(10,552)**	**(1,167)**

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust - Annual Accounts 2020/21

Statement of Financial Position as at 31 March 2021

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	10	1,902	1,988
Property, plant and equipment	11	193,498	171,675
Receivables	15	1,031	238
Total non-current assets		**196,431**	**173,901**
Current assets			
Inventories	14	3,281	4,543
Receivables	15	11,718	20,382
Non-current assets held for sale	16	310	0
Cash and cash equivalents	17	45,044	47,169
Total current assets		**60,353**	**72,094**
Current liabilities			
Trade and other payables	18	(63,712)	(54,000)
Other liabilities	19	(402)	(306)
Borrowings	20	(1,008)	(4,320)
Provisions	22	(3,820)	(541)
Total current liabilities		**(68,942)**	**(59,167)**
Total assets less current liabilities		**187,842**	**186,828**
Non-current liabilities			
Other liabilities	19	(266)	(459)
Borrowings	20	(14,192)	(13,657)
Provisions	22	(2,926)	(2,169)
Total non-current liabilities		**(17,384)**	**(16,285)**
Total assets employed		**170,458**	**170,543**
Financed by			
Public dividend capital		109,933	99,466
Revaluation reserve		21,788	20,686
Income and expenditure reserve		38,737	50,391
Total taxpayers' equity		**170,458**	**170,543**

The primary financial statements on pages 95 to 98 and the notes on pages 99 to 140 were approved by the Board of Directors and authorised for issue on 9 June 2021 and signed on its behalf by Silas Nicholls, Chief Executive.

Signed **9 June 2021**
Silas Nicholls, Chief Executive

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust - Annual Accounts 2020/21

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2020	**99,466**	**20,686**	**50,391**	**170,543**
(Deficit) for the year	0	0	(12,610)	**(12,610)**
Other transfers between reserves	0	(737)	737	**0**
Impairments	0	(3,208)	0	**(3,208)**
Revaluations	0	5,266	0	**5,266**
Transfer to retained earnings on disposal of asset	0	(219)	219	**0**
Public dividend capital received	10,467	0	0	**10,467**
Taxpayers' equity at 31 March 2021	**109,933**	**21,788**	**38,737**	**170,458**

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2019	**97,336**	**26,108**	**46,136**	**169,580**
Surplus for the year	0	0	8,202	**8,202**
Transfers by absorption : transfers between reserves	0	4,106	(4,106)	**0**
Other transfers between reserves	0	(159)	159	**0**
Impairments	0	(13,305)	0	**(13,305)**
Revaluations	0	3,936	0	**3,936**
Public dividend capital received	2,130	0	0	**2,130**
Taxpayers' equity at 31 March 2020	**99,466**	**20,686**	**50,391**	**170,543**

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust - Annual Accounts 2020/21

Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating (deficit)/surplus		(9,005)	3,924
Non-cash income and expense			
Depreciation and amortisation	4	9,226	8,368
Net impairments and (reversals) of impairments	4	6,504	2,865
Income recognised in respect of capital donations (non cash)	3	(715)	(213)
Decrease in receivables and other assets		7,973	15,852
Decrease/(Increase) in inventories		1,262	(243)
Increase in payables and other liabilities		11,480	10,356
Decrease in provisions		4,014	182
Net cash generated from operating activities		**30,739**	**41,091**
Cash flows used in investing activities			
Interest received		13	363
Purchase of intangible assets		(1,197)	(356)
Purchase of property, plant, equipment and investment property		(35,643)	(19,888)
Receipt of cash donation to purchase capital assets		10	0
Sales of property, plant, equipment and investment property		0	55
Net cash used in investing activities		**(36,817)**	**(19,826)**
Cash flows used in financing activities			
Public dividend capital received		10,467	2,130
Loans received		1,460	201
Loans paid		(4,226)	(4,451)
Other interest paid		(321)	(357)
PDC dividend paid		(3,427)	(3,773)
Net cash used in financing activities		**3,953**	**(6,250)**
Increase in cash and cash equivalents		**(2,125)**	**15,015**
Cash and cash equivalents at 1 April		47,169	32,154
Cash and cash equivalents at 31 March	17	**45,044**	**47,169**

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust - Annual Accounts 2020/21

1. Accounting policies

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Foundation Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board.

Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property.

These financial statements have been prepared in a form directed by the Secretary of State and in accordance with the Financial Reporting Manual (FReM) 2020/21, issued by HM Treasury, and the Department of Health and Social Care Group Accounting Manual (GAM) 2020/21. The accounting policies contained in the FReM and GAM follow International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector content. Where the FReM or GAM permits a choice of accounting policy, the accounting policy that is judged to be the most appropriate to the particular circumstances of the foundation trust for the purpose of giving a true and fair value has been selected. The particular polices adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.2 Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

1.3 Joint arrangements

Arrangements over which the Foundation Trust has joint control with one or more other entities are classified as joint arrangements. A joint arrangement is either a joint operation or a joint venture. The Foundation Trust does not have any joint ventures but does have a number of joint operations.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the Foundation Trust is a joint operator it recognises its share of, assets, liabilities, income and expenditure in its own accounts.

1.4 Critical accounting judgements and key sources of estimation uncertainty

1.4.1 Critical judgements in applying accounting policies

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

Operating segments

In line with IFRS 8 Operating Segments, the Board of Directors, as chief decision maker, has assessed that the Foundation Trust continues to report its annual accounts on the basis that it operates in the healthcare segment only. The accompanying financial statements have consequently been prepared under one single operating segment.

Interests in other entities and joint arrangements

Reporting bodies are required to assess whether they have interests in subsidiaries, associates, joint ventures or joint operations, prior to accounting for and disclosing these arrangements according to the relevant accounting standards. This assessment involves making judgements and assumptions about the nature of collaborative working arrangements, including whether or not the Foundation Trust has control over those arrangements per IFRS 10 Consolidated Financial Statements.

The Foundation Trust has assessed its existing contracts and collaborative arrangements for 2020/21, and has determined that the arrangements which would fall within the scope of IFRS 10, IFRS 11 Joint Arrangements or IFRS 12 Disclosure of Interests in Other Entities, are the NHS Foundation Trust's subsidiary charity, the NHS Foundation Trust's investment into the Community Health Investment Plan (CHIP) and three joint operations (Note 13).

Consolidation

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust is the corporate trustee to Wrightington, Wigan and Leigh Health Services Charity (also known as Three Wishes). The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

Where the fund balances held by the Charity are deemed to be of a significant value to require consolidation, then those balances will be consolidated into the Foundation Trust Accounts. There is no consolidation for 2020/21.

1.4.2 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Asset valuation and lives

The value and remaining useful lives of land and building assets are estimated by Cushman and Wakefield. Valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

The Foundation Trust has valued its estate using the modern equivalent asset - alternative site methodology.

A desktop valuation was undertaken during 2020/21 with a revaluation date of 31 January 2021.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel movement and operational restrictions have been implemented by many countries. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, the valuation this year is not subject to 'material valuation uncertainty' as it was last year.

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

The total net book value of intangible and tangible fixed assets as at 31 March 2021 is £195m (£174m, 2019/20).

1.5 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Foundation Trust accrues income relating to performance obligations satisfied in that year. Where the Foundation Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

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

2020/21

The main source of income for the Foundation Trust is contracts with commissioners for health care services. In 2020/21, the majority of the foundation trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the foundation trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Integrated Care System Level. The related performance obligation is the delivery of healthcare and related services during the period, with the Foundation Trust's entitlement to consideration not varying based on the levels of activity performed.

The Foundation Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

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Comparative period 2019/20

In the comparative period (2019/20), the Foundation Trust's contracts with NHS commissioners included those where the Foundation Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of Health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Foundation Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer.

At the year end, the Foundation Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF)

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

NHS Injury Cost Recovery Scheme

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

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1.6 Other forms of income

Apprenticeship service income

The value of the benefit received when the Foundation Trust accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

Income from sale of non-current assets

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

Grants and donations

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

1.7 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy are recognised in the period in which the service is received from employees including non-consolidated performance pay earned but not yet paid. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

NHS Pensions

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

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

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a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

National Employment Savings Trust (NEST)

NEST is a defined contribution pension scheme that was created as part of the government’s workplace pensions reforms under the Pensions Act 2008. NEST Corporation is the Trustee body that has overall responsibility for running NEST. It is a non-departmental public body (NDPB) operating at arm's length from government, and it reports to Parliament through the Secretary of State for Work and Pensions.

This alternative scheme is a defined contribution scheme, provided under the Foundation Trust’s ‘automatic enrolment’ duties for a small number of employees who are excluded from actively contributing to the NHS pension scheme. Under a defined contribution plan, an entity pays fixed contributions to a separate entity (a fund) and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits.

The Foundation Trust is legally required to make a minimum contribution for opted-in employees who earn more than the qualifying earnings threshold, and the cost to the Foundation Trust of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. That is, employer’s pension costs of contributions are charged to operating expenditure as and when they become due.

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1.8 Other expenses

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

1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Measurement

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

Thereafter revaluations of property and land are carried out as mandated by a qualified valuer who is a member of the Royal Institute of Chartered Surveyors and in accordance with the appropriate sections of the Practice Statement ("PS") and United Kingdom Practice Statements contained within the RICS Valuation Standards. The valuations are carried out as follows:

- Interim every 3 years
- Full valuation every 5 years

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost, modern equivalent asset alternative site basis.

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

The carrying value of other existing assets will be written off over their remaining useful lives, and are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS13 Fair Value Measurement, if it does not meet the requirements of IAS40 Investment Property or IFRS5 Non-current assets held for sale.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated at the point it becomes classified as Held for Sale. Assets in the course of construction are not depreciated until the assets are brought into use. Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by a qualified valuer recognised in accordance with RICS.

Property, plant and equipment is depreciated over the following useful lives:

Buildings excluding dwellings	10 to 70 years
Dwellings	14 to 48 years
Plant and Machinery	10 to 20 years
Vehicles	10 to 13 years
Furniture and fittings	15 years
Medical and other equipment	15 years
Information technology	8 years
Software – internally developed	8 to 10 years

Revaluation gains and losses

At each reporting period end, the Foundation Trust checks whether there is any indication that any of its property plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

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

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

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

Impairments

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

- the impairment charged to operating expenses; and
- the balance in the revaluation reserve attributable to that asset before impairment.

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

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

Assets under construction

Assets under construction are measured at cost of construction less any impairment loss, as at 31 March. Assets are reclassified to the appropriate category when they are brought into use.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' where the sale is highly probable and the asset available for immediate sale in its present condition.

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

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

Donated and grant funded assets

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

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

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

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1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Foundation Trust and where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

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

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated historical cost and the value in use where the asset is income generating.

Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

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

An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS13 Fair Value Measurement, if it does not meet the requirements of IAS40 Investment Property or IFRS5 Non-current assets held for sale.

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 only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Foundation Trust intends to complete the asset and sell or use it;
- the Foundation Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Foundation Trust to complete the development and sell or use the asset; and
- the Foundation Trust can measure reliably the expenses attributable to the asset during development.

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Amortisation

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

Intangible assets are amortised over the following useful lives:

Websites	8 years
Development expenditure	8 years
Software	8 years

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. All inventories are measured using the First In, First Out (FIFO) method other than drugs which are measured using the weighted average cost method.

1.12 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Financial assets and financial liabilities

Recognition

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

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

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Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets and liabilities are subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable. After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

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

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Foundation Trust recognises an allowance for expected credit losses.

The Foundation Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Expected credit losses are the probability weighted losses expected from credit loss events occurring within a defined period. Probabilities are determined based on experience and knowledge obtained through the debt collection process.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Foundation Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.14 Leases

Finance leases

The Foundation Trust does not have any finance leases.

Operating leases

All leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

In applying IFRIC 4 - Determining whether an arrangement contains a lease, collectively significant rental arrangements that do not have the legal status of a lease but convey the right to use an asset for payment are accounted for under the Foundation Trust's lease policy, where fulfilment of the arrangement is dependent on the use of specific assets.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.15 Provisions

Provisions are recognised when the Foundation Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Foundation Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

For post- employment benefits including early retirement provisions and injury benefit provisions the HM Treasury's pension discount rate of -0.95% in real terms (-0.50%, 2019/20) is used.

All other provisions are subject to three separate discount rates according to the expected timing of cash flows from the Statement of Financial Position date:

Short term rate: -0.02% (0.51%, 2019/20)
Medium term rate: 0.18% (0.55%, 2019/20)
Long term rate: 1.99% (1.99%, 2019/20)

1.16 Clinical negligence costs

NHS Resolution (the trading name of the NHS Litigation Authority NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the NHS Foundation Trust is disclosed in Note 22.1 but is not recognised in the NHS Foundation Trust's accounts.

1.17 Non-clinical risk pooling

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

1.18 Contingent assets and contingent liabilities

A contingent assets is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation Trust. A contingent asset is disclosed in Note 23 where an inflow of economic benefits is probable.

A contingent liability is:

● a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Foundation Trust, or

● a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed in Note 23 unless the possibility of payment is remote.

Where the time value of money is material, contingent assets and contingent liabilities are disclosed at their present value.

1.19 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the Foundation Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

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

An annual charge, reflecting the cost of capital utilised by the Foundation Trust, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Foundation Trust during the financial year.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for:

- donated assets
- average daily cash balances held with the Government Banking Service (GBS) and National Loan Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility
- any PDC dividend balance receivable or payable
- and any assets purchased in response to COVID-19.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health and Social Care, the dividend for the year is calculated on the actual average relevant net assets as set out in the ‘pre-audit’ version of the annual accounts. The dividend thus calculated is not revised should any adjustment occur as a result of the audit of the annual accounts.

1.20 Value added tax

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

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1.21 Corporation tax

As an NHS Foundation Trust, Wrightington, Wigan and Leigh Teaching NHS Foundation Trust is specifically exempted from corporation tax through the Corporation Tax Act 2010. The Act provides that HM Treasury may dis· apply this exemption only through an order via a statutory instrument (secondary legislation). Such an order could only apply to activities which are deemed commercial, and arguably much of the Foundation Trust's other operating income is ancillary to the provision of healthcare, rather than being commercial in nature. No such order has been approved by a resolution of the House of Commons. There is therefore no corporation tax liability in respect of the current financial year.

1.22 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Foundation Trust has no beneficial interest in them. They are disclosed in a separate note to the accounts.

1.23 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.24 Transfers by Absorption

Where a DHSC group body is the recipient in the transfer of a function, it recognises the assets and liabilities received as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition (i.e. the recipient and exporter of the assets and liabilities recognise the same values). The corresponding net credit / debit reflecting the gain / loss is recognised within income / expenses, but outside of operating activities.

1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

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

IFRS 16 Leases: will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases. The standard also requires the re-measurement of lease liabilities after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the Foundation Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted at the foundation trust's incremental borrowing rate. The Foundation Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.91%, (1.27%,2019/20) but this may change between now and the adoption of the standard. The related right of use asset will be measured equal to liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Foundation Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury announced that IFRS 16, Leases, as interpreted and adapted by the FReM is to be effective in the UK public sector from 1 April 2022. This represents a further one-year deferral. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Foundation Trust does expect this standard to have a material impact on non-current assets and liabilities. Depreciation in-year is not expected to be material.

IFRS 17 Insurance contracts: [new standard] (2023/24) – work has not yet started on understanding the full impact of this new standard in the NHS, however on the basis that the Foundation Trust does not issue insurance contracts it is unlikely that this standard will impact the Foundation Trust accounts.

IFRS - International Financial Reporting Standards
IFRIC – International Financial Reporting Interpretation Committee

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Note 2 Operating income from patient care activities

Note 2.1 Income from patient care activities (by source)

Income from patient care activities received from:

	2020/21 £000	2019/20 £000
NHS England	35,251	32,413
Clinical Commissioning Groups	332,416	299,976
NHS Foundation Trusts	4,395	4,118
NHS Trusts	8	6
Local Authorities*	7,422	19,967
Department of Health and Social Care	0	44
NHS other (including Public Health England)	244	195
Non NHS: private patients	2,349	3,804
Non NHS: overseas patients (chargeable to patient)	160	73
NHS injury scheme (ICR)**	816	942
Non NHS: other	526	805
Total income from activities	**383,588**	**362,343**

*Prior year comparatives included £10m contribution from Wigan Borough Council in respect of costs incurred to transfer Bridgewater Community Services and £3m contribution to system wide resilience.

**NHS injury scheme income is subject to a provision for doubtful debts of 22.43% (21.79%, 2019/20) to reflect expected rates of collection.

Note 2.2 Income from patient care activities (by nature)

	2020/21 £000	2019/20 £000
Acute services		
Block contract / system envelope income *	309,994	278,197
High cost drugs income from commissioners (excluding pass through costs)	547	11,027
Other NHS clinical income**	10,101	4,524
Community Services		
Block contract / system envelope income *	37,644	38,452
Income from Other Sources (e.g. local authorities)	6,180	16,042
Additional income		
Private patient income	2,350	3,804
Additional pension contribution central funding ***	10,308	9,248
Other clinical income****	6,464	1,049
Total income from activities	**383,588**	**362,343**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**Other NHS clinical income includes income in respect of maternity outpatients, diagnostic imaging, breast screening, audiology, chemotherapy, palliative care.

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

**** Other clinical income relates largely to income from the NHS Injury Cost Recovery Scheme (ICR) for third party injury claims.

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Note 2.3 Overseas visitors

	2020/21 £000	2019/20 £000
Income recognised this year	160	73
Cash payments received in-year	26	21
Amounts added to allowance for impaired contract receivables	29	36
Amounts written off in-year	61	10

Note 3 Other operating income

	2020/21 £000	2019/20 £000
Other operating income from contracts with customers:		
Research and development (contract)	1,225	1,124
Education and training (excluding notional apprenticeship levy income)	12,142	9,822
Non-patient care services to other bodies	2,545	2,642
Provider Sustainability Fund / Financial Recovery Fund / Marginal Rate Emergency Tariff Funding (PSF/FRF/MRET) *	0	8,223
Reimbursement and top up funding **	41,476	0
Income in respect of employee benefits accounted on a gross basis***	2,266	4,434
Other contract income****	4,012	8,372
Other non-contract operating income		
Education and training - notional apprenticeship levy income	336	287
Receipt of capital grants and donations	618	213
Charitable and other contributions to expenditure	131	68
Contribution to expenditure - consumables donated from DHSC*****	6,354	0
Rental revenue from operating leases	96	94
Other	0	0
Total other operating income	**71,202**	**35,279**

*The Provider Sustainability Fund and the Financial Recovery Fund enable NHS providers to earn income linked to the achievement of financial control totals and performance targets.

**During the year the Foundation Trust received national Funding from NHSE/I and the Department of Health and Social Care to support the impact on income and expenditure of COVID.

***Income in respect of employee benefits accounted for on a gross basis relates to recharges of staff costs for which there is a corresponding employee expense in operating expenses.

****Other contract income of £3.2m (£8.4m, 2019/20) includes car parking income, catering income, pharmacy income, staff accommodation rental and other miscellaneous income recharged to other NHS bodies.

***** During the year, the Foundation Trust received personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Foundation Trust has accounted for the receipt of these at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department. A corresponding expenditure entry has been recorded in Note 4.

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Note 3.1 Additional information on contract revenue recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	149	892

Note 3.2 Income from activities arising from commissioner requested services

Under the terms of its provider license, the Foundation Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2020/21 £000	2019/20 £000
Income from services designated as commissioner requested services	376,235	353,031
Income from services not designated as commissioner requested services	8,170	9,312
Total	**384,405**	**362,343**

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Note 4 Operating expenses

	2020/21 £000	2019/20 £000
Purchase of healthcare from NHS and DHSC bodies	2,482	3,892
Purchase of healthcare from non-NHS and non-DHSC bodies*	6,364	1,452
Employee expenses - executive directors	1,506	1,337
Employee expenses - non-executive directors	174	175
Employee expenses - staff	288,325	247,298
Employee expenses - temporary staff	26,858	17,344
Supplies and services - clinical**	37,430	35,491
Supplies and services - general	4,878	4,738
Drug costs (inventory consumed & non-inventory purchases)	22,560	22,486
Inventories written down	168	0
Establishment	4,023	2,915
Transport	3,367	2,121
Premises	24,305	18,507
Movement in credit loss allowance: contract receivables/contract assets	193	(22)
Change in provisions discount rate	(59)	70
Operating lease expenditure (net)	5,340	4,597
Depreciation on property, plant and equipment	8,712	7,825
Amortisation on intangible assets	514	543
Net Impairments***	6,504	2,865
Audit fees payable to the external auditor		
audit services - statutory audit	96	68
other auditor remuneration - see Note 4.1	0	0
Internal audit and local counter fraud services	141	152
Clinical negligence	11,231	10,934
Legal fees	1,629	734
Insurance	468	450
Education and Training	3,654	2,385
Redundancy and other mutually agreed resignation schemes	44	233
Losses, ex gratia & special payments	93	22
Other*	2,796	5,086
Total	**463,795**	**393,698**

* Expenditure incurred of £2,548k, relating to Wigan GP Alliance Out of Hours Service, has been recorded in Purchase of Healthcare from non-NHS bodies. In previous years such costs had been recorded within other expenditure (£2,272k, 2019/20).

** During the year, the Foundation Trust received personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Foundation Trust has accounted for the receipt of these at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department. The total value transacted within supplies and services - clinical is £6.3m. A corresponding Income entry has been recorded in Note 2.3.

*** Further details of net impairments can be found in Note 12.

During the financial year the Foundation Trust incurred additional pay expenditure of £22m to support the Foundation Trust's response to COVID. This expenditure has been used to fund expansion of the Foundation Trust's workforce, including increased intensive care capacity, back fill for higher sickness absence and the creation of additional ward capacity. Additional pay expenditure was also incurred as part of the Foundation Trusts planned investment into the nursing and allied professional workforce and successful recruitment into vacancies. Increases in non pay expenditure totalling £11m were incurred in respect of the Foundation Trust's response to COVID to support decontamination, segregation of patient pathways and remote management of patients.

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Note 4.1 Other auditor remuneration

There was no other auditor remuneration during the current or prior year.

Note 4.2 Limitation on auditor's liability

There is a £1m limitation on auditor's liability for external audit work carried for the financial years 2019/20 and 2020/21.

Note 4.3 Better payment practice code (BPPC)

The better payment practice code gives NHS organisations a target of paying 95% of invoices within agreed payment terms or in 30 days where there are no terms agreed.

Performance for the financial year against this target is contained in the table below.

	2020/21		2019/20	
	Number	£000	Number	£000
Non-NHS				
Trade invoices paid in the period	59,601	205,932	68,929	194,051
Trade invoices paid within target	56,486	194,718	63,985	180,289
Percentage of trade invoices paid within target	**94.8%**	**94.6%**	**92.8%**	**92.9%**
NHS				
Trade invoices paid in the period	1,897	37,343	2,647	27,612
Trade invoices paid within target	1,709	31,880	2,227	25,256
Percentage of trade invoices paid within target	**90.1%**	**85.4%**	**84.1%**	**91.5%**
Total				
Trade invoices paid in the period	61,498	243,275	71,576	221,663
Trade invoices paid within target	58,195	226,598	66,212	205,545
Percentage of trade invoices paid within target	**94.6%**	**93.1%**	**92.5%**	**92.7%**

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Note 5 Employee benefits

	2020/21 Total	2019/20 Total
	£000	£000
Salaries and wages	236,013	201,020
Social security costs	20,660	18,579
Apprenticeship levy*	1,020	898
Employer's contributions to NHS pensions	23,706	21,220
Employer's contributions to NHS pensions paid by NHSE on behalf of the Foundation Trust (6.3%)**	10,308	9,248
Temporary staff***	26,858	17,344
Total staff costs	**318,565**	**268,309**
Costs capitalised as part of assets	1,771	2,039

*The Apprenticeship Levy requires all employers operating in the UK, with a pay bill over £3m each year, to invest in apprenticeships. The Foundation Trust is required to pay a levy of 0.5% of it's pay bill, less an allowance of £15,000.

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

*** During the year temporary staff costs increased by £9.5m and this primarily related to bank expenditure for registered nurses and support to nursing staff.

A further analysis of staff costs can be found in the remuneration section of the Annual Report.

Note 5.1 Retirements due to ill-health

The Foundation Trust had 3 early retirements agreed on the grounds of ill-health during the year (0, 2019/20).

The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

Note 5.2 Executive directors' and non-executive directors' remuneration and other benefits

	2020/21 £000	2019/20 £000
Salary	1,282	1,112
Employer's pension contributions	170	142
Taxable benefits	1	26
Total	**1,453**	**1,280**
Non-executive directors' remuneration *	174	175
Total	**1,627**	**1,455**
The total number of directors accruing benefits under the NHS Pension Scheme	11	7

* Non-executive directors are not members of the NHS Pension Scheme.

Further details of directors' remuneration can be found in the remuneration section of the Annual Report.

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Note 5.3 Employee benefits

An accrual in respect of annual leave entitlements carried forward at the Statement of Financial Position date of £3.2m has been provided for within the accounts (£0.5m, 2019/20). There were no other employee benefits during the year.

Note 6 Operating leases

Note 6.1 Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust as a lessee

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	5,340	4,597
Total	**5,340**	**4,597**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:		
- not later than one year;	5,095	4,375
- later than one year and not later than five years;	16,882	8,986
- later than five years.	16,212	216
Total	**38,189**	**13,577**

The Foundation Trust leases various premises, primarily to accommodate administrative functions, under operating leases at market rates, for periods up to 5 years.

The Foundation Trust also leases equipment and vehicles for periods not exceeding 7 years.

Leased equipment chiefly comprises complex medical equipment used in the delivery of healthcare. The majority of vehicle leases are rolling 'monthly hire' arrangements for transport between Foundation Trust sites.

Where applicable, break clauses in the Foundation Trust's lease contracts have been taken into account in the calculation of future minimum lease payments.

Note 6.2 Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust as a lessor

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	96	94
Total	**96**	**94**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year	96	0
- later than one year and not later than five years;	385	0
- later than five years.	313	0
Total	**794**	**0**

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Note 7 Finance income

	2020/21 £000	2019/20 £000
Interest on bank accounts	(3)	363
Total	**(3)**	**363**

Note 8 Finance expenses

	2020/21 £000	2019/20 £000
Interest expense		
Loans from the Department of Health and Social Care	310	347
Total interest expense	**310**	**347**
Other finance costs - unwinding of discount	22	11
Total	332	358

Note 9 Gains and losses on disposal of assets

	2020/21 £000	2019/20 £000
(Loss) on disposal of assets	(64)	(163)
Total	**(64)**	**(163)**

The loss on disposal of assets in 2020/21 arose as a result of various items of medical equipment becoming beyond economic repair.

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Note 10 Intangible assets

Note 10.1 Intangible assets - 2020/21

	Software licences £000	Internally generated information technology £000	Websites £000	Total £000
Valuation/gross cost at 1 April 2020	**12,615**	**713**	**44**	**13,372**
Additions	1,080	0	0	1,080
Impairments charged to Operating Expenses	(739)	0	0	(739)
Gross cost at 31 March 2021	**12,956**	**713**	**44**	**13,713**
Amortisation at 1 April 2020	**10,664**	**704**	**16**	**11,384**
Provided during the year	502	7	5	514
Impairments charged to operating expenses	(87)	0	0	(87)
Amortisation at 31 March 2021	**11,079**	**711**	**21**	**11,811**
Net book value at 31 March 2021	**1,877**	**2**	**23**	**1,902**
Net book value at 1 April 2020	**1,951**	**9**	**28**	**1,988**

Note 10.2 Intangible assets - 2019/20

	Software licences £000	Internally generated information technology £000	Websites £000	Total £000
Valuation/gross cost at 1 April 2019	**12,112**	**713**	**44**	**12,869**
Additions	503	0	0	503
Valuation/gross cost at 31 March 2020	**12,615**	**713**	**44**	**13,372**
Amortisation at 1 April 2019	**10,154**	**675**	**12**	**10,841**
Provided during the year	510	29	4	543
Amortisation at 31 March 2020	**10,664**	**704**	**16**	**11,384**
Net book value at 31 March 2020	**1,951**	**9**	**28**	**1,988**
Net book value at 1 April 2019	**1,958**	**38**	**32**	**2,028**

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Note 10.3 Intangible assets financing 2020/21

	Software licences £000	Internally generated information technology £000	Websites £000	Total £000
Purchased	1,823	2	23	1,848
Donated	54	0	0	54
NBV total at 31 March 2021	**1,877**	**2**	**23**	**1,902**

Note 10.4 Intangible assets financing 2019/20

	Software licences £000	Internally generated information technology £000	Websites £000	Total £000
Purchased	1,927	9	28	1,964
Donated	24	0	0	24
NBV total at 31 March 2020	**1,951**	**9**	**28**	**1,988**

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Note 11 Property, plant and equipment

Note 11.1 Property, plant and equipment - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020	**8,643**	**115,608**	**1,907**	**15,665**	**48,137**	**195**	**36,042**	**442**	**226,639**
Transfers by absorption	0	0	0	0	103	0	0	0	103
Additions	0	19,457	10	5,296	6,526	0	3,226	85	34,600
Impairments	(278)	(9,477)	(326)	(1,101)	0	0	0	0	(11,182)
Reversals of impairments	430	(468)	38	0	0	0	0	0	0
Reclassifications	0	12,616	0	(12,616)	0	0	0	0	0
Revaluations	444	4,395	243	0	0	0	0	0	5,082
Tranfers to assets held for sale	(78)	(232)	0	0	0	0	0	0	(310)
Disposals/derecognition	0	0	0	0	(1,543)	0	0	0	(1,543)
Valuation/gross cost at 31 March 2021	**9,161**	**141,899**	**1,872**	**7,244**	**53,223**	**195**	**39,268**	**527**	**253,389**
Accumulated depreciation at 1 April 2020	**0**	**2,472**	**18**	**0**	**32,817**	**160**	**19,224**	**273**	**54,964**
Transfers by absorption	0	0	0	0	0	0	0	0	0
Provided during the year	0	3,800	74	0	1,687	9	3,122	20	8,712
Impairments	0	(2,131)	9	0	0	0	0	0	(2,122)
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(119)	(65)	0	0	0	0	0	(184)
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals/ derecognition	0	0	0	0	(1,479)	0	0	0	(1,479)
Accumulated depreciation at 31 March 2021	**0**	**4,022**	**36**	**0**	**33,025**	**169**	**22,346**	**293**	**59,891**
Net book value at 31 March 2021	**9,161**	**137,877**	**1,836**	**7,244**	**20,198**	**26**	**16,922**	**234**	**193,498**
Net book value at 1 April 2020	**8,643**	**113,136**	**1,889**	**15,665**	**15,320**	**35**	**16,818**	**169**	**171,675**

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Note 11.2 Property, plant and equipment - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2019	**7,984**	**118,870**	**2,415**	**1,585**	**47,496**	**195**	**32,009**	**442**	**210,996**
Transfers by absorption	1,328	5,410	0	0	1,521	0	1,133	0	9,392
Additions	0	4,751	0	14,080	3,110	0	4,034	0	25,975
Impairments	(771)	(22,609)	(574)	0	(3)	0	0	0	(23,957)
Reversals of impairments	0	5,719	7	0	0	0	0	0	5,726
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	102	3,467	59	0	0	0	0	0	3,628
Disposals/derecognition	0	0	0	0	(3,987)	0	(1,134)	0	(5,121)
Valuation/gross cost at 31 March 2020	**8,643**	**115,608**	**1,907**	**15,665**	**48,137**	**195**	**36,042**	**442**	**226,639**
Accumulated depreciation at 1 April 2019	**0**	**2,304**	**18**	**0**	**33,634**	**151**	**16,569**	**255**	**52,931**
Transfers by absorption	0	232	0	0	669	0	578	0	1,479
Provided during the year	0	3,611	83	0	1,433	9	2,671	18	7,825
Impairments	0	(2,836)	(35)	0	849	0	540	0	(1,482)
Reversals of impairments	0	(569)	(10)	0	0	0	0	0	(579)
Revaluations	0	(270)	(38)	0	0	0	0	0	(308)
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals/ derecognition	0	0	0	0	(3,768)	0	(1,134)	0	(4,902)
Accumulated depreciation at 31 March 2020	**0**	**2,472**	**18**	**0**	**32,817**	**160**	**19,224**	**273**	**54,964**
Net book value at 31 March 2020	**8,643**	**113,136**	**1,889**	**15,665**	**15,320**	**35**	**16,818**	**169**	**171,675**
Net book value at 1 April 2019	**7,984**	**116,566**	**2,397**	**1,585**	**13,862**	**44**	**15,440**	**187**	**158,065**

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Note 11.3 Property, plant and equipment financing - 2020/21

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned	9,161	137,853	1,836	7,244	19,507	26	16,922	234	192,783
Donated	0	24	0	0	691	0	0	0	715
NBV total at 31 March 2021	**9,161**	**137,877**	**1,836**	**7,244**	**20,198**	**26**	**16,922**	**234**	**193,498**

Note 11.4 Property, plant and equipment financing - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned	8,643	111,267	1,889	15,665	14,619	35	16,775	169	169,062
Donated	0	1,869	0	0	701	0	43	0	2,613
NBV total at 31 March 2020	**8,643**	**113,136**	**1,889**	**15,665**	**15,320**	**35**	**16,818**	**169**	**171,675**

Note 11.5 Impairment of assets

	2020/21 £000	2019/20 £000
Net impairments charged to operating (deficit) / surplus resulting from:		
Abandonment of assets in the course of construction	1,102	0
Other	652	0
Changes in market price	4,750	2,865
Impairments charged to operating (deficit) / surplus	6,504	2,865
Impairments charged to the revaluation reserve	3,208	13,305
Total net impairments	**9,712**	**16,170**

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Note 12 Revaluations of property, plant and equipment

The value and remaining useful lives of land and building assets are estimated by Cushman and Wakefield. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

A desk top valuation was undertaken during 2020/21 with a revaluation date of 31 January 2021.

As a result of this valuation some land and buildings have seen an increase in value totalling £5.2m. This includes the revaluation of the Community ward which brought into use on 1st February 2021.

In addition, some land and buildings have decreased in value totalling £9.1m. £5.8m has been charged to operating expenditure offset by the reversal of previous impairments totalling £1.1m to give a net impact on expenditure of £4.7m.

The net effect of these changes in value amounts to an overall decrease in land and buildings of £3.9m.

Assets revalued have been written down to their recoverable amount within the Statement of Financial Position, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for that asset and, thereafter, to expenditure - impairment of property plant and equipment. Increases in value have been credited to the revaluation reserve unless circumstances arose whereby a reversal of an impairment was necessary. In these circumstances this has been netted off against impairments in expenditure.

The lives of equipment assets are estimated on historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. Operational equipment is carried at its cost less any accumulated depreciation and any impairment losses. Where assets are of low value and/or have short useful economic lives, these are carried at depreciated historical cost as a proxy for current value.

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Note 13 Disclosure of interests in other entities

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

The Foundation Trust does not attribute levels of risk significantly above 'business as usual' with these arrangements, as the operators are all partner NHS bodies and local authority organisations, working together within the same healthcare and community operating environment. In practical terms, this translates to longstanding related party relationships based in contracts and transactions, collaborative working, shared objectives and common policies.

The Foundation Trust's joint operations are detailed below.

Pathology at Wigan & Salford (PAWS)

The Foundation Trust works collaboratively with Salford Royal NHS Foundation Trust to provide pathology services to both Trusts. The intention of the arrangement is to reduce running costs through centralisation and provide resilience in each trust's pathology services. The majority of activity is carried out at a Salford site, with an essential services laboratory remaining at the Wigan site.

The Foundation Trust retains the rights to assets contributed at the start of the arrangement, and new equipment is split between both trusts when purchased. As the 'host' partner, Salford Royal NHS Foundation Trust retains the obligation to pay suppliers' invoices, recharging Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust for its share of PAWS-related expenditure (£9.1m in year and £8.8m, 2019/20).

Sterile Services Decontamination Unit (SSDU)

In this joint working arrangement with Salford Royal NHS Foundation Trust, both Foundation Trusts receive sterile services, which chiefly involves the decontamination of surgical instruments. The arrangement is similar to PAWS in that the Foundation Trusts intend to reduce running costs through centralisation, provide resilience in each organisation's sterile services, and create income through selling services to other providers in the local health economy. The majority of activity is carried out at a site in Bolton with a small service retained at the Leigh site.

The Foundation Trust retains the rights to assets contributed to the arrangement. As the 'host' partner, Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust retains the obligation to pay the majority of suppliers' invoices, recharging Salford Royal NHS Foundation Trust, for its share of SSDU-related expenditure (£2.4m in year and £2.3m, 2019/20).

Well Being Partners

This arrangement is jointly operated by Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust (the 'host' operator), Lancashire Teaching Hospitals NHS Foundation Trust and Bolton NHS Foundation Trust. The collaboration is designed to provide resilience to each of the three operators' occupational health services and to create income through selling services to other bodies. The activity is carried out at all three Foundation Trusts' sites with additional outreach clinics. The Foundation Trust's share of expenditure for the year was £0.7m (£0.7m, 2019/20).

Community Health Investment Plan (CHIP)

The Foundation Trust has invested £20m into CHIP, a joint initiative with Wigan Borough Council to fund the construction of community facilities which will help to stem demand into the hospital and improve the overall health and wellbeing of the population of the Wigan borough.

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Expenditure totalling £13m was incurred during 2019/20 of which, £6m has been transferred to fixed assets during the year to recognise the completion of apartments and bungalows offering supported living and dementia support facilities.

A further £3m has been transferred from cash and cash investments to fixed assets to support the building of additional supported living accommodation.

Note 14 Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	1,268	1,155
Consumables *	1,869	3,207
Energy	92	95
Other	52	86
Total inventories	**3,281**	**4,543**

*Low value consumable items that have a high turnover are no longer classified as inventories and are therefore included in expenditure during the year (£1,387k, 2019/20).

Inventories recognised in expenses for the year were £27,000k (£30,150k, 2019/20).

Note 15 Trade and other receivables

Note 15.1 Trade and other receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables invoiced/non-invoiced	6,772	15,368
Allowance for impaired contract receivables	(971)	(945)
Prepayments (non-PFI)	3,619	4,469
Interest receivable	0	16
PDC dividend receivable	293	175
VAT receivable	1,271	818
Other receivables	734	481
Total current trade and other receivables	**11,718**	**20,382**
Non-current		
Allowance for impaired contract receivables	(62)	(66)
Other receivables	1,093	304
Total non-current trade and other receivables	**1,031**	**238**
Of which receivables from NHS and DHSC group bodies:		
Current	3,560	12,123
Non-Current	817	0

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Note 15.2 Allowances for credit losses - 2020/21

	Contract receivables and contract assets £000
Allowances as at 1 April 2020 - brought forward	1,011
New allowances arising	221
Reversals of allowances	(28)
Utilisation of allowances (write offs)	(171)
Allowances as at 31 March 2021	**1,033**

Note 15.3 Allowances for credit losses - 2019/20

	Contract receivables and contract assets £000
Allowances as at 1 April 2019 - brought forward	1,072
New allowances arising	(22)
Utilisation of allowances (write offs)	(39)
Allowances as at 31 March 2020	**1,011**

Note 16 Assets held for Sale

As at 31 March 2021 the Foundation Trust has one asset held for sale, Aspull Clinic, which is valued at £310k and is expected to be sold during the course of 2021/22.

Note 17 Cash and cash equivalents

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

	2020/21 £000
At 31 March 2020	**47,169**
Net change in year	(2,125)
At 31 March 2021	**45,044**
Broken down into	
Cash in hand	6
Cash with the Government Banking Service	40,954
Other current investments	4,084
Total cash and cash equivalents	**45,044**

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Note 17.1 Third party assets held by the NHS foundation trust

During the year the Foundation Trust held cash relating to monies held on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts. The Foundation Trust also holds in the normal course of business consignment inventories which comprise orthopaedic prosthesis. These are held on Foundation Trust premises and still owned by the supplier. The Foundation Trust is only obliged to pay for these assets when they are used.

	31 March 2021 £000	31 March 2020 £000
Monies held on behalf of patients	0	5
Consignment inventories	6,955	6,370
Total third party assets	**6,955**	**6,375**

Note 18 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	11,839	13,447
Capital payables	6,929	8,794
Accruals	34,519	22,074
Receipts in advance	0	6
Social security costs	3,318	2,929
Other taxes payable	2,414	2,137
Other payables	4,693	4,613
Total current trade and other payables	**63,712**	**54,000**
Of which payables to NHS and DHSC group bodies:		
Current	6,222	13,573

Note 19 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income : contract liabilities	402	306
Total other current liabilities	**402**	**306**
Non-current		
Deferred income : contract liabilities	266	459
Total other non-current liabilities	**266**	**459**

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Note 20 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from the Department of Health and Social Care	851	3,863
Other loans	157	457
Total current borrowings	**1,008**	**4,320**
Non-current		
Loans from the Department of Health and Social Care	12,271	13,040
Other loans	1,921	617
Total non-current borrowings	**14,192**	**13,657**

Other loans relate to public sector energy efficiency loans with Salix Finance Limited. These loans are interest-free and have financed a number of energy-saving schemes throughout the Foundation Trust. Repayments are phased to match the projected savings from the schemes. Details of the loans from the Department of Health and Social Care are detailed in Note 25.

Note 21 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Other loans £000	Total £000
Carrying value at 31 March 2020	**16,903**	**1,074**	**17,977**
Cash movements:			
Financing cash flows - payments and receipts of principal	(3,770)	1,004	(2,766)
Financing cash flows - payments of interest	(321)	0	(321)
Non-cash movements:			
Application of effective interest rate	310	0	310
Carrying value at 31 March 2021	**13,122**	**2,078**	**15,200**

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Note 22 Provisions

	Total £000	Other legal claims £000	Pensions: injury benefits £000	Other £000
At 1 April 2020	2,710	281	2,293	136
Change in the discount rate	(59)	0	(59)	0
Arising during the year	4,416	304	103	4,009
Utilised during the year	(235)	(110)	(125)	0
Reversed unused	(108)	(108)	0	0
Unwinding of discount	22	0	22	0
At 31 March 2021	**6,746**	**367**	**2,234**	**4,145**
Expected timing of cash flows:				
- not later than one year;	3,820	367	125	3,328
- later than one year and not later than five years;	605	0	605	0
- later than five years.	2,321	0	1,504	817
Total	**6,746**	**367**	**2,234**	**4,145**

The amounts provided for employer's/public liability claims disclosed within other legal claims, are based on actuarial assessments received from NHS Resolution (NHSR) as to their value and anticipated payment date.

Other provisions relate to pathology service staffing changes jointly agreed with Salford Royal NHS Foundation Trust, employment tribunal claims, clinicians pension tax reimbursement claims and Agenda for Change HCA claims.

Note 22.1 Clinical negligence liabilities

At 31 March 2021, £240m was included in provisions of the NHS Resolution in respect of clinical negligence liabilities of Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust (£218m, 31 March 2020).

Note 23 Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Amounts recoverable against liabilities	(120)	1
Net value of contingent liabilities	**(120)**	**1**

Amounts recoverable against liabilities relates to amounts paid by the Foundation Trust for employers and public liability claims managed through NHS Resolution. These amounts relate to overpayments made against claims.

The Trust has no contingent assets.

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Note 24 Contractual capital commitments

	31 March 2021	31 March 2020
	£000	£000
Property, plant and equipment	1,560	9,268
Total	**1,560**	**9,268**

Contractual capital commitments mainly relate to committed expenditure in respect of the Foundation Trust's development of combined heat and power works, the development of a step-down facility on the Leigh site, medical equipment and other site maintenance and improvements.

Note 25 Financial Instruments

Note 25.1 Financial risk management

Liquidity risk

The Foundation Trust's net operating costs are incurred under annual service level agreements/contracts with Clinical Commissioning Groups (CCGs) which are financed from resources voted annually by Parliament. As a result of COVID, the Foundation Trust received block funding from its commissioners and a top up payment to break even during the first half of the year. Block payments and top up funding at an Integrated Care level were allocated in the second half of the year. Monthly payments were received from the CCG and NHS England based on these funding arrangements and this reduced liquidity risk.

The Foundation Trust actively mitigates liquidity risk by daily cash management procedures and by keeping all cash balances in an appropriately liquid form. Liquidity is monitored by the Board on a monthly basis through the calculation of the Use of Resources Metric as required by NHS Improvement and by the review of cash flow forecasts for the year.

The Foundation Trust has two loans financed by the Independent Trust Financing Facility. A 7 year loan for £13.5m at 0.66% fixed interest rate and a 25 year loan for £16.5m at 2.24% fixed interest rate. Repayments on the loans commenced in December 2016 and are repaid over the period of the loans. Repayments are built into the Foundation Trust's cash flow plans for the year and there is no risk that a number of significant borrowings could become repayable at one time and cause unplanned cash pressures.

The Foundation Trust has a number of energy efficiency loans with Salix Finance Limited. These loans are interest-free and have been invested in energy-efficiency saving schemes. The savings from these schemes are matched to loan repayments and there is therefore no risk that these borrowings will cause unplanned cash pressures.

The loan repayment schedule is contained within the maturity of financial liabilities table Note 25.4.

Cash invested into CHIP for schemes which have not commenced building work is held by Wigan Metropolitan Borough Council. The terms of the agreement are such that any funding not invested will be returned back to the Foundation Trust and for this reason there is no risk.

Interest rate risk

All of the Foundation Trust's financial assets and financial liabilities carry nil or fixed rates of interest other than the Foundation Trust's bank accounts which earn interest at a floating rate. The Foundation Trust is not exposed to significant interest rate risk.

Credit risk

The main source of income for the Foundation Trust is from CCGs in respect of healthcare services provided under agreements. The credit risk associated with such customers is very low.

Cash required for day to day operational purposes is held within the Foundation Trust's Government Banking Services (GBS) account. This service has minimal credit risk as balances are regularly swept into and held by the Bank of England.

The Foundation Trust regularly reviews debtor balances, and has a comprehensive system in place for pursuing past due debt. Non-NHS customers represent a small proportion of income, and the Foundation Trust is not exposed to significant credit risk in this regard.

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the Statement of Financial Position date was £7.4m (£15.1m, 2019/20) being the total of the carrying amount of financial assets excluding cash.

There are no amounts held as collateral against these balances.

Currency risk

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

Note 25.2 Carrying value of financial assets

	Held at amortised cost £000
Carrying values of financial assets as at 31 March 2021	
Trade and other receivables excluding non financial assets	7,426
Cash and cash equivalents at bank and in hand	45,044
Total at 31 March 2021	**52,470**

	Held at amortised cost £000
Carrying values of financial assets as at 31 March 2020	
Trade and other receivables excluding non financial assets	15,101
Cash and cash equivalents at bank and in hand	47,169
Total at 31 March 2020	**62,270**

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Note 25.3 Carrying value of financial liabilities

	Held at amortised cost £000
Carrying values of financial liabilities as at 31 March 2021	
Loans from the Department of Health and Social Care	13,122
Other borrowings	2,078
Trade and other payables excluding non financial liabilities	54,348
IAS37 provisions which are financial liabilities	50
Total at 31 March 2021	**69,598**

	Held at amortised cost £000
Carrying values of financial liabilities as at 31 March 2020	
Loans from the Department of Health and Social Care	16,903
Other borrowings	1,074
Trade and other payables excluding non financial liabilities	45,889
Total at 31 March 2020	**63,866**

Note 25.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021 £000	31 March 2020 restated * £000
In one year or less	55,651	50,179
In more than one year but not more than five years	6,991	6,079
In more than five years	9,509	10,480
Total	**72,151**	**66,738**

* In accordance with the GAM this disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

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Note 26 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise.

The Foundation Trust incurred the following losses and special payments during the financial year.

	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	0	0	2	0
Bad debts and claims abandoned	153	170	122	38
Stores losses and damage to property	7	83	4	6
Total losses	**160**	**253**	**128**	**44**
Special payments	0	0	0	0
Ex-gratia payments	45	121	27	95
Total special payments	**45**	**121**	**27**	**95**
Total losses and special payments	**205**	**374**	**155**	**139**
Compensation payments received	0	0	0	0

Note 27 Transfers by absorption

During the course of the year the Foundation Trust received imaging equipment totalling £103k from Salford Royal NHS Foundation Trust and in accordance with instructions from DH this has been transacted as a transfer by absorption.

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Note 28 Related party transactions

Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. NHS Improvement (NHSI), does not prepare group accounts; instead, NHSI prepares NHS Foundation Trust Consolidated Accounts, for further consolidation into the Whole of Government Accounts. NHSI has powers to control NHS Foundation Trusts, but its results are not incorporated within the consolidated accounts, and it cannot be considered to be the parent undertaking for Foundation Trusts. Although there are a number of consolidation steps between the Foundation Trust's accounts and Whole of Government Accounts, the Foundation Trust's ultimate parent is HM Government.

Whole of Government Accounts bodies

All bodies within the scope of the Whole of Government Accounts (WGA) are considered to be related parties as they fall under the common control of HM Government and Parliament. The Foundation Trust's related parties therefore include Department of Health and Social Care as the parent company, other trusts, foundation trusts, clinical commissioning groups, local authorities, central government departments, executive agencies, non departmental public bodies (NDPBs), trading funds and public corporations.

During the year, the Foundation Trust has had a number of transactions with WGA bodies. Where the total transactions with a given counterparty are collectively significant, they are listed below. The Foundation Trust's related parties therefore include other trusts, foundation trusts, clinical commissioning groups, local authorities, central government departments, executive agencies non departmental public bodies (NDPBs), trading funds and public corporations.

During the year, the Foundation Trust has had a number of transactions with WGA bodies. Listed below are those entities for which the total transactions or total balances with the Foundation Trust have been collectively significant or potentially material to the other body.

NHS Wigan Borough CCG	NHS England	NHS Business Services Authority
HM Revenue and Customs	NHS Resolution	Health Education England
NHS West Lancashire CCG	NHS Bolton CCG	NHS Chorley and South Ribble CCG
NHS Manchester CCG	Wigan Metropolitan Borough Council	

Public dividend capital (PDC) transactions with the Department of Health and Social Care

The Foundation Trust made PDC dividend payments to the Department of Health totalling £3.4m (£3.7m, 2019/20), and is reporting a year-end PDC receivable totalling £0.3m (£0.1m PDC payable, 2019/20).

Provision for impairment of receivables - related parties

No related party debts have been written off by the Foundation Trust during the year.

Charitable related parties

Wrightington, Wigan and Leigh Health Services Charity (charitable fund with registered charity number 1048659) is a subsidiary of the Foundation Trust and therefore a related party. The Foundation Trust is the Charity's Corporate Trustee which means that the Foundation Trust's Board of Directors is charged with the governance of the Charity. The Charity's sole activity is the funding of charitable capital and revenue items for the benefit of our patients and staff.

The Charity's balance as at 31 March 2021 was £1,420k (£1,067k, 2019/20) with net outgoing resources before transfers of £353k (£179k, 2019/20).

During the year the Charity incurred expenditure of £183k (£494k, 2019/20) in respect of goods and services for which the Foundation Trust was the beneficiary.

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Other related parties

The Foundation Trust has interests in 4 joint operations with related parties as disclosed in Note 13 and has a related party relationship with NHS Shared Business Service.

Key management personnel

During the financial year under review, no member of either the Board or senior management team, and no other party closely related to these individuals, has undertaken any material transactions with Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust.

One Non Executive Director is a cancer lead at NHS Salford CCG. The Foundation Trust has entered into a number of transactions with this organisation (income £2.0m) which are considered to be "at arms length".

Key management personnel are identified as Executive Directors and Non-Executive Directors of the Foundation Trust. Details of their remuneration and other benefits can be found in Note 5.2 and the remuneration section of the Annual Report.

Further information

If you have any queries regarding this report, or wish to make contact with any of the directors or governors, please contact Paul Howard, Director of Corporate Affairs and Company Secretary, using the contact details below:

Email

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Telephone

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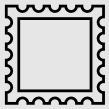

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