

Alder Hey Children's
NHS Foundation Trust



Celebrating 100 years of Alder Hey

ANNUAL REPORT & ACCOUNTS

2014/15

Inspired by Children

Annual Report & Accounts 2014/15

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

Contents

Chair and Chief Executive's Welcome	Page 6
Strategic Report	Page 8
Going Concern	Page 29
Directors' Report	Page 31
Remuneration Report	Page 43
NHS Foundation Trust Code of Governance	Page 49
Quality Report	Page 63
Staff Survey	Page 115
Regulatory Ratings	Page 119
Disclosures in the Public Interest	Page 121
Voluntary Disclosures	Page 124
Statement of the Chief Executive's Responsibilities as the Accounting Officer of Alder Hey Children's NHS Foundation Trust	Page 128
Annual Governance Statement	Page 130
Annual Accounts	Page 140
Auditor's Report	Page 176

Chair and Chief Executive's Welcome



2014 marked Alder Hey's 100th birthday and it has been a special year for the organisation in many ways, as we count down the days to moving in to our brand new hospital this coming Autumn. The centenary celebrations provided a focal point for the whole Alder Hey community to come together to reflect on the many achievements of past and present friends and colleagues and gain a deeper appreciation of the rich heritage of which we feel privileged to be the current custodians.

Poised as we are on the brink of an historic milestone for the Trust, we will join with staff and patients to say a fond goodbye to the old facilities, just as we embrace and look forward to the new and all that they will bring. The existing Alder Hey buildings are steeped in memories and history for so many people and it is important to celebrate this – to mourn it, even – before we embark on the next phase of our journey together.

Our ambition for the new Alder Hey is that it will help us reach further toward our goal to be a world leader in paediatric healthcare and research. The new facilities will match the excellence of our highly skilled staff and will allow us to develop our growing expertise in technology enabled clinical innovation. Our plans for the park will provide the opportunity to make a real difference to the health and wellbeing of local people and especially families, as a hub for the social and economic development of the area, in partnership with the City Council. Together we can fulfil this promise to our community.

Our fantastic, committed staff have spent the last year preparing for just that. Our 'Pathway to the Park' project has set the scene for the changes that will be crucial to our success: clinical pathways and ways of working adapted to our new facilities and state of the art practices. A new Electronic Patient Care System (EPCS) will be at the core of the technology that will help us provide more efficient, effective and patient centred services. This report tells the story of the efforts we have made in every area of our work to be ready to grasp this once in a lifetime opportunity and give something very special to our children and young people.

Finally, we must offer our personal thanks to each and every individual whose dedication has contributed to securing such an exciting future for Alder Hey: our staff, governors and partners – with special thanks to our friends at the Alder Hey Children's Charity for their unstinting support – and of course to our patients and their families for their forbearance during the building project. It will all be worth it and we look forward to writing to you this time next year from our new Alder Hey in the Park!

David Henshaw

Sir David Henshaw
Chairman

Louise Shepherd

Louise Shepherd
Chief Executive



Alder Hey began as an institution based in 25 acres of land off Eaton road. It was originally created by the West Derby Board of Guardians as a workhouse, providing care for the sick and infirm.

By July 1914, after concerns were raised over a serious epidemic of eye disease in young people, part of Alder Hey became dedicated to paediatric care and providing accommodation for sick children.

A new modern hospital was erected and opened its doors in October 1914.

Strategic Report

About the Trust

Alder Hey Children's NHS Foundation Trust continues to provide care for over 275,000 children and young people each year. In addition to the hospital site at West Derby, Alder Hey has a presence at a number of community outreach sites and in collaboration with other providers, our consultants help deliver care closer to patients' homes by holding local clinics at locations from Cumbria to Shropshire, in Wales and the Isle of Man. We also provide inpatient care for children with complex mental health needs at our Alder Park building in the nearby borough of Sefton.

The Trust employs a workforce of 2,679 staff who work across our community and hospital sites and as a teaching and training hospital, we provide education and training to around 540 medical and over 500 nursing and allied health professional (AHP) students each year. At the end of the year the gender breakdown of our workforce was as follows:

	Male	Female
Directors	7	6
Senior Managers	28	128
Employees	469	2210

Our operating turnover is £210m of which £181m directly relates to the clinical services we provide; 40% of our clinical income is non-specialised and 60% is specialised. Our principal contract is with the Wirral, Warrington and Cheshire Area Team on behalf of NHS England for tertiary and quaternary care. The Trust also serves a wide population base for secondary care with Liverpool Clinical Commissioning Group (CCG) hosting the £53.5m contract on behalf of 20 associate CCG's in the North West of England. In addition, we have a contract of £11.5m with commissioners in Wales.

Alder Hey offers a number of specialist services and we are one of only two providers in the North West designated to receive the specialist children's top-up to national tariff for this work. We are one of the two accredited major trauma units for children in the North West and are also nationally commissioned as one of

four epilepsy surgical centres, a service we provide in partnership with Manchester Children's Hospital. As the regional cardiac surgical centre we continue to lead on developing the cardiac network across the region in order to provide seamless pathways of care for children with congenital heart problems.

Alder Hey continues to be a top performing Trust. We remain registered with the Care Quality Commission (CQC) without conditions. Our ratings from the health sector regulator, Monitor, have been generally among the highest available ('green' for governance and 4 or 5 for financial performance) since authorisation in 2008. We have consistently achieved the majority of the government's access and quality targets, including those for infection rates.

Our services are managed through five Clinical Business Units (CBU) each led by a Clinical Director and General Manager who, along with lead nurses, service groups leads and service line managers are responsible and accountable for the overall clinical, workforce and financial performance of their area.

The Trust has a thriving research portfolio and hosts the UK Medicines for Children Research Network (MCRN) with a Department of Health grant worth £22m; it is also the lead centre for the Cheshire, Merseyside and North Wales MCRN. It leads the field in paediatric pharmacovigilance, and was awarded the only paediatric NHS programme grant (£2m) for work in this area. We continue to be an active member of the Liverpool Academic Health Science System – Liverpool Health Partners Limited - which will enable us to continue to build our research reputation and portfolio while ensuring that benefits are brought to patient care.

The Trust is supported by two main registered charities and through the work that they do to support the hospital, we can ensure that Alder Hey's pioneering work continues to make a difference to the lives of children. In addition to Alder Hey Children's Charity, the Ronald McDonald House at Alder Hey charity continues to support 84 families in 'home away from home' accommodation on site while their children are being treated in the hospital. We continue to work closely and strengthen our relationship with our charitable partners.

Alder Hey was England's first public health promoting paediatric hospital accredited by the World Health Organisation. With concern for our patients, their parents and carers and our staff in one of the country's most deprived areas, we believe we have a duty of care to provide health awareness, education and support to the communities we serve.

We were authorised as a Foundation Trust in August 2008 and have an active Council of Governors representing patients, parents, carers, staff, the general public and partner organisations. The Council represents our membership which currently totals 13,500 people across the regions we serve. We have also established our Children and Young Person's Design Group which meets regularly with Trust staff and has input into the design of the new hospital, as well as supporting the recruitment of key Board level posts.

Our Services

The Trust remains committed to its model of managing services through Clinical Business Units (CBUs), which aims to move decision-making about services much closer to patients and put clinicians in the driving seat.

The five Clinical Business Units are comprised as follows:

Medical Specialties

Respiratory Medicine
 Infectious Diseases
 Immunology
 Metabolic Diseases
 Nephrology
 Rheumatology
 Gastroenterology
 Endocrinology
 Dietetics
 Oncology
 Haematology
 Palliative Care
 Dermatology

Integrated Community Services

Accident and Emergency Department
 General Paediatrics
 Diabetes
 Cystic Fibrosis
 Myalgic Encephalomyelitis
 Community Child Health
 Safeguarding Services
 Neurodisability
 Fostering and Adoption
 Audiology
 Child and Adolescent Mental Health Services

Surgery, Anaesthetics, Critical Care and Cardiac Services

Cardiology
 Cardiac Surgery
 Paediatric Intensive Care
 High Dependency Unit
 Burns Unit
 General Surgery
 Urology
 Gynaecology
 Neonatal Surgery
 Theatres
 Anaesthesia
 Pain Control

Neurosciences, Musculo-skeletal and Specialist Surgery

Ear Nose and Throat
 Cleft Lip and Palate
 Ophthalmology
 Maxillofacial Surgery
 Dentistry and Orthodontics
 Neurology
 Neurosurgery
 Craniofacial Surgery
 Long Term Ventilation
 Orthopaedics
 Plastic Surgery

Clinical Support Services

Radiology
 Pathology
 Pharmacy
 Therapies
 EBME
 Central Admissions
 Bed Management
 Medical Records
 Outpatients

Our Purpose and Vision

Our Purpose

We are here for children and young people, to improve their health and wellbeing by providing the highest quality, innovative care.

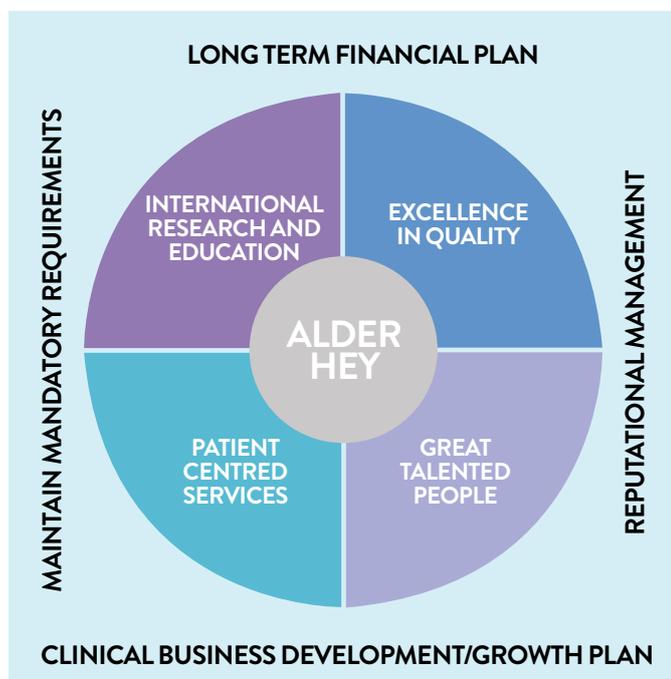
Our Vision

Alder Hey: building a healthier future for children and young people, as one of the recognised world leaders in research and healthcare.

Our Strategic Approach

Our strategic plan agreed in 2011/12 set out the Trust's four year direction of travel until 2016 and is underpinned by the development of operational plans aligned with the four key strategic pillars illustrated below. In turn, Clinical Business Unit and departmental annual objectives ensure organisational focus.

Progress has been achieved through the delivery of actions identified within annual operational plans. This has been supported by a performance framework that ensures effective performance improvement, alongside continuous development of service line management and reporting.



Our Strategic Aims

Our strategic aims underpin our strategic pillars shown in the model above:

- Deliver **clinical excellence** in all of our services.
- Ensure all of our **patients** and their **families** have a **positive experience** while in our care.
- Be the **provider of 1st choice** for children, young people and their families.
- Be a **world class** centre for children's **research and development**.
- Further improve our **financial strength** in order to **continuously invest in services and provide funding for a new hospital**.

- Ensure our **staff** have the right **skills, competence, motivation and leadership** to deliver our vision.
- Deliver our **hospital in the park** vision.

Delivering Our Strategic Aims: Our Achievements in 2014/15 at a Glance

2014/15 was another successful year for Alder Hey. Highlights of progress against each of the strategic pillars during the year include the following:

Excellence in Quality

- Delivered the nurse recruitment programme, with 180 new nurses joining the Trust including international recruits from Italy.
- Worked collaboratively with Higher Education Institutions (HEI's) to embed 'early recruitment programme', enabling 3rd year students to gain employment at an optimal time of their career pathway.
- Introduced ward staffing boards outside each clinical area detailing planned staff and actual staff on duty in line with national standards.
- Developed further the monthly Quality Report for the Board, measuring progress and outlining improvement actions against the Trust's Quality Aims.
- Embedded the Weekly Meeting of Harm with increasing attendance. Improved management of incidents reflected both by staff engagement and significant improvement in Trust position in relation to the National Reporting and Learning System (NRLS); the Trust is in the top 25% of its peer group.
- Remained committed to an enhanced culture of openness, embracing the principles of the Duty of Candour.
- Strengthened 'Ward to Board' governance and risk management processes supported by Trust-wide training in 'Principles of Risk Management' to encourage frontline participation.
- Registered as a member of the 'Sign Up to Safety' campaign.
- Successfully bid to the NHS Litigation Authority (NHS LA) to secure funding to support the Trust's Sign Up to Safety Plan: Trust-wide Safety Improvement Plan.

Patient Centred Services

- Developed new clinical models of care in preparation for our new hospital move which will increase day case surgery and procedures, reduce length of stay in hospital, improve our outpatients services and emergency pathway care.
- Implemented a community anti-microbial service.
- Put in place the 'ImERSE' model to ensure patient shadowing is integrated with medical education to improve patient and family centred care.
- Developed new Electronic Patient Care System (EPCS) with clinical staff and agreed standard operating processes which will release time to care for patients.
- Invested in the creation of a new Innovation Team which is clinically led.
- Launched Telehealth pilot.
- New hospital development on time for handover in June 2015.

Great Talented People

- Embedded our refreshed Trust values based PDR process with improved satisfaction ratings and completion rates.
- Provided education and training to over 500 medical students and 500 nursing and AHP students.
- Delivered significant improvement in staff engagement as evidenced by improvements in all key areas of the staff survey.
- Delivered a comprehensive medical leadership development plan.
- Introduced new outsource providers for payroll and recruitment services with significant improvements in service delivery.
- Significant improvement in Trust-wide communications and the staff Intranet.
- Introduced a comprehensive raising concerns programme under the banner 'Raise It. Change It'.

Developing Our Business

- Achieved growth of more than £1m for specific business development schemes.
- Secured designation to provide Selective Dorsal Rhizotomy (SDR) as part of national Commissioning Through Evaluation Project.
- Implemented Facial Palsy Service.
- Delivered growth in key specialties including spinal surgery.

- Continued to see an increase in referrals for Ear Nose and Throat services.
- Agreed investment and expansion of sleep service.
- Retained Extra Corporeal Membrane Oxygenation (ECMO) surge centre status.
- Developed Orthotics Service, with investment to ensure growth can be delivered with sustainable model.
- Improved access to urgent care services, including implementation of GP hotline, expansion of rapid access clinics and working with CCG to introduce GP presence in the Emergency Department.

International Research and Education

- Senior Lecturer in Infection appointed with the University of Liverpool.
- Chair in Child Health appointed with Liverpool School of Tropical Medicine.
- Award of Arthritis Research UK Experimental Arthritis Treatment Centre for Children.
- Award of NIHR Clinician Scientist in Paediatric Orthopaedics.
- Significant investment in research by Alder Hey Children's Charity.
- National leadership of NIHR Clinical Research Network Division 3 secured.
- Successful 'It's OK to Ask' campaign, supporting NIHR initiatives on public awareness raising of research.
- Commercial studies with new commercial partners secured.
- Phase 1 of Research and Education Facility under construction.

Alder Hey in the Park – Preparing for an Historic Move

Work on the construction of Alder Hey in the Park started in March 2013 and has progressed on schedule to complete this summer, ready for occupation in September 2015.

The new hospital will have a floor area of 60,000m² and will have 270 beds, including 48 critical care beds for patients in ICU, HDU and Burns. There will be six standard wards with 32 beds. Each ward will have

two four bed bays and 24 (75%) single rooms on each ward with ensuite bathrooms, improving patient and family privacy and dignity. The unique design will also ensure that the majority of bedrooms have park views and patients will have easy access to play areas on and outside their ward. There will also be 16 operating theatres, four for day-case surgery and 12 inpatient theatres. The new development will also include a multi-storey car park with 1200 spaces.

The concept, inspired by designs from children, has continued to be developed during the construction with children, parents and staff participating in design meetings and presentations both in the Trust and other local venues and schools. Engagement with our key stakeholders on interior designs, colour schemes and wayfinding was also carried out during the year.

As the construction of our new hospital nears completion, one of the key operational challenges is to ensure that we are in a position to move safely into the new building, ensuring that safety and quality of care during and immediately post the move is not compromised and that we have engaged our local partners in supporting us over this period of change. The 'Pathway to the Park' project has provided the focal point for ensuring that our staff are adequately prepared to work in the new environment and are familiar with the building design, the new clinical adjacencies and ways of working and the equipment.

Staff teams are also planning how they will work in the new hospital and take advantage of the new facilities. Some of the new ideas that are being planned include:

- a new day-case service that will allow children to have their operations and return home on the same day for a whole range of procedures;
- an emergency service that combines the skills of GPs and A&E staff to give children rapid diagnoses and treatments; and
- new integrated operating and diagnostic equipment that will enable Alder Hey clinicians to provide the latest treatments for children.

The hospital will also include a range of gardens, play areas and play decks that reach out into the park. In addition there will be a range of digital technologies that will allow children and parents to check in to the hospital, engage in play in the atrium, bedrooms and waiting areas and also provide information about the hospital and its services.

Research, Education and Innovation Developments

A new Institute building will open in September 2015, located in Springfield Park adjacent to the new Alder Hey Hospital. There will be a number of prominent features of the design that will make it a notable national exemplar:

- The new Institute building will be recognisable, welcoming and will encourage public awareness of the quality and skills of the healthcare teams working at Alder Hey.
- The design uses space and natural materials in a creative way to generate a building which will excite and stimulate those using the facilities.
- The building will be sustainable, employing the latest green technology, including air source heat pumps directly linked to the Aquifer and solar panels.

The Institute buildings will be state-of-the-art facilities that, together with the main hospital, raise the profile and national/international standing of Alder Hey to bring economic and social benefits to Liverpool.

The sister development to the Institute in the Park is the 'Bat-cave'. This is proposed to be an underground factory attached to the main hospital where clinicians and industries can come together and create new products and technologies. Innovation at Alder Hey will be driven by a strategy of co-creation with large technology companies within the 'Bat-cave'. By leveraging their resources and product delivery mechanisms, we will accelerate innovation within the hospital and within industry. The 'Bat-cave' will be the place where *sensorhospital@Alderhey* is brought to life.

Key Drivers – Our External Environment

Regulation and Inspection

The last year has seen the full implementation of the Care Quality Commission's (CQC) new inspection and rating methodology for healthcare providers based upon:

- Intelligent Monitoring
- Local information
- Inspection

The Trust was pleased to use the opportunity afforded by our own inspection in May 2014 to continue our dialogue with the CQC around the development of its methodologies in relation to the unique needs of specialist children's services, together with the other members of the Children's Hospital Alliance.

We also saw evidence of the regulatory system partners coming together to form a collective response to the Trust's CQC inspection in the form of a Quality Summit. In common with other providers, the Trust welcomes the move to a more cohesive approach to regulation which minimises duplication of effort.

Commissioner Environment NHS England and CCGs

The commissioning environment is increasingly challenging; the key objectives remain focused on improving quality and outcomes, but with increased pressure on the funding available.

In 2015/16 the Trust is required to deliver savings and efficiencies of 5% (£10m) driven by cost inflation and cost pressures. Since a new national tariff has not been agreed for 2015/16, the Trust will continue to use 2014/15 rules and prices with commissioners. However, with the withdrawal of CQUIN funding at 2.5% of contract value, this effectively reduces income received from commissioners and contributes to the overall 5% savings target. The underlying annual efficiency requirements are anticipated to continue for all trusts at a similar rate (4-5%) over the coming years.

In terms of commissioner relationships, the majority of our services (61%) are commissioned by NHS England (specialist services), with 20 Clinical Commissioning Groups (CCGs) contracting for local services that we provide in Merseyside and its surrounding areas (32%) and Wales also being a significant commissioner (7%).

In 2014/15 the Trust significantly over performed against our NHS England contract, reflecting the growth in demand for specialist services, although we did not experience the anticipated growth in secondary care and subsequently underperformed against CCG contract activity plans.

Looking ahead to 2015/16, Liverpool Clinical Commissioning Group (the Trust's largest CCG commissioner) does not have an overall financial pressure, although the well documented financial pressures at NHS England are a concern regarding funding for future specialist growth and the investment required to meet rising demand and transfer of activity to specialist hospitals. In particular, proposals to pay

for future growth in specialist services at a marginal rate is a concern to the Trust, since this would not provide sufficient resources to invest in the stepped costs associated with maintaining safe and sustainable services which experience growth in demand.

Although recognising the economic context, Alder Hey continues to work with NHS England and in 2015/16 will seek to develop pathways for neonatal surgery and provision of a dedicated Specialist Paediatric Rehabilitation Unit.

Five Year Forward View

The Board at Alder Hey has considered the implications of the Five Year Forward View and agreed that our Strategic Plan for 2014-19 is very much aligned to the strategic direction of NHS England. We have been developing new models of care through our integrated care and strategic partnerships themes and the Trust submitted a Vanguard application for the work with the United North Midlands Hospital. We understand that cohorts for the Smaller Viable Hospitals Programme are still being considered and continue to work actively to develop our service chain model in the meantime. In addition, we are in active discussions with Liverpool CCG about how the future of children's services can be secured.

The Board agreed that there are some areas in our plan that needed to be considered in more detail as a result of the Five Year Forward View. These were identified as mental health, prevention, health and wellbeing, empowering patients (personalised budgets and choice) and seven day working. During the course of this planning year we will consider these areas in more detail.

Developing Partnerships and Networks

The Trust has made good progress in developing and delivering on key objectives across our Operational Delivery Networks in 2014/15. Networks are in place to improve pathways of care across organisations, ensuring that children and their families have good outcomes and care that is co-ordinated between local hospital providers and the Specialist Centre.

Our networks are governed by the partnership agreement we have in place with Royal Manchester Children's Hospital. The operational board is responsible for monitoring the progress of networks against agreed priorities and plans and reviewing and mitigating key risks that emerge.

As budget constraints are felt across all parts of the local health and social care system, we continue to work collaboratively with both the City Council and primary care providers to identify key areas of transformational change. We recognise that improved co-ordination and integration of pathways not only has financial benefits, but ultimately improves the experience and quality for children and young people accessing our services.

On a broader geographical footprint, we continue to engage with and develop partnerships through the Strategic Clinical Networks, Operational Delivery Networks, North West Coast Academic Health Science Network and Liverpool Health Partners to drive quality, access and consistency of care across the system for the benefit of children, young people and their families.

The Healthy Liverpool Programme

The Healthy Liverpool Programme, led by Liverpool CCG, continues to be a key workstream to improve health outcomes for the local population. Alder Hey remains fully committed to working with commissioners and partners through this programme. The Trust and commissioners have identified opportunities to improve services and in 2015/16 Alder Hey will submit proposals for service developments, including review of the whole pathway for Asthma patients and provision of care for children with complex care needs, including a Child Development Centre and Slow Stream Rehabilitation Service.

In 2015/16, the Trust will also be working with local CCGs to review and develop both Community and Child and Adolescent Mental Health Services (CAMHS), ensuring local implementation of the areas which have been stated nationally as investment priorities.

Progress Against Our Key Strategies in 2014/15

Excellence in Quality

Quality Aims

Our Quality Aims were developed using an inclusive process during the early part of 2013. In order to ensure

that we provide the highest quality services to everyone who is part of the Alder Hey community, we recognise that we must continue to stretch ourselves and set goals that we can measure in order to demonstrate that we truly place quality at the heart of everything we do. In 2014/15, in consultation with our staff, governors and patients we agreed that further refinements should be made in relation to the Quality Strategy's developmental Quality Aims within the 'domains' of patient safety, clinical effectiveness and patient experience. The Quality Aims are listed in full below:

Patients will not suffer harm in our care

- *No hospital acquired infection.*
- *No drug errors resulting in harm.*
- *No hospital acquired pressure ulcers.*
- *No avoidable deaths.*
- *No unexpected deterioration.*
- *No 'Never Events'.*

Patients will receive the most effective, evidenced based care

- *No acute, unplanned readmission within 48 hours of discharge (including under 4's).*
- *All patients treated following recognised protocols/ pathways/guidelines.*
- *No acute admission of patients with long term conditions.*
- *Patients will be discharged on planned day of discharge.*
- *Patient outcome will be within national defined parameter.*

Patients will have the best possible experience

- *Patients and families will have received information enabling them to make choices.*
- *Patients and families will be treated with respect.*
- *Patients and families will know the planned date of discharge.*
- *Patients and families will know who is in charge of their care.*
- *Patients will have the opportunity to engage in play and learning.*

Quality Aims Reporting

Clinical Business Units (CBUs) have agreed specific improvement targets designed to support achievement of the Quality Aims. These improvement targets have been incorporated into the CBU Quality Dashboards, which are monitored through the CBU risk and

governance processes and incorporated into the monthly Quality Report that is presented to the Board of Directors. The report is widely disseminated throughout the Trust and is also formally considered by the Clinical Quality Steering Group and Clinical Quality Assurance Committee and shared with the Council of Governors. The report has been further developed during 2014/15 to incorporate additional relevant quality information.

Quality Review Programme

The Quality Review Programme, which goes far beyond the traditional approach of reliance on a number of quality key performance indicators, includes the extensive engagement of both users and providers of service, along with reviewing practice against known service standards. The programme has continued throughout 2014/15, covering all inpatient areas. The Quality Review reports include areas of notable practice and actions for improvement and have been agreed in partnership with the Ward/Department Manager and CBU Lead Nurse. The reports are incorporated into the monthly Quality Report and the staff involved in the reviews have positively evaluated the process.

Weekly Meeting of Harm

The Trust reports all incidents into the National Reporting and Learning System (NRLS) and in March 2012 Alder Hey was in the lowest 25% of reporters within the peer group of 20 comparable acute specialist trusts.

It is recognised that organisations that report more incidents usually have a better safety culture. The 'Weekly Meeting of Harm', established in October 2013, specifically aims to raise awareness across the organisation of the importance of reporting incidents and wider concerns. The meeting reviews incidents and trends occurring each week and provides Trust-wide feedback to all staff and individuals, on the key messages, the theme of the week, identified good practice and action taken as a result of reporting.

The 'Weekly Meeting of Harm' has gone from strength to strength. The meeting has Executive leadership provided by the Chief Nurse and Medical Director and has consistently high levels of multidisciplinary attendees. The success of the Weekly Meeting of Harm has contributed to the Trust moving from the NRLS lowest 25% of reporters in March 2012 to the highest 25% of reporters in September 2014.

Patient Safety Champions

Work continues to strengthen the role of the patient safety champions in each clinical area. Particular focus during the year has been on medication safety and developing and implementing an Alder Hey Paediatric Safety Scan for wards and dedicated scans for the Emergency Department and Children's Mental Health Tier 4 Ward.

Nurse Staffing

Workforce capacity creates a risk to the delivery of safe, high quality care. The Director of Nursing has led a comprehensive review of nurse staffing to ensure the Trust has the right numbers and skill mix of nursing staff to deliver high quality, safe care. The review resulted in a significant recruitment campaign both locally, nationally and internationally, with the successful recruitment of 180 nurses.

Sign Up to Safety

The Trust is committed to improving patient safety and has registered as a member of the national 'Sign Up to Safety' campaign. The 'Sign Up to Safety' campaign aims to halve avoidable harm and save an additional 6000 lives over the next three years.

As part of the 'Sign Up to Safety' campaign, the Trust has pledged to:

1. Put safety first.
2. Continually learn.
3. Be honest and transparent.
4. Collaborate with others to promote learning.
5. Be supportive and help people understand why things go wrong.

The Trust has submitted a successful bid to the National Health Service Litigation Authority (NHSLA) for funding to support the delivery of the three year Trust safety plan: *Improved Organisational Safety Culture*. This will enable us to recruit a dedicated Quality and Safety Improvement Team.

Future Plans

- Ensure a successful, safe move into the new hospital.
- Refresh the Quality Strategy.
- Create a Quality Improvement Team and develop a Quality Improvement Programme.
- Develop 2014/15 *Improved Organisational Safety Culture Plan* incorporating the clinical priorities for improvements in:

- medication safety;
- infection prevention and control; and
- pressure ulcer prevention and management.
- Further develop the monthly assessment of Quality Report, incorporating the Safety Improvement Plan outcomes.
- Revise the Quality Review Programme, incorporating the CQC's key lines of enquiry.
- Design the ward and departmental accreditation process for implementation in the new hospital in partnership with children, young people and their parents.
- Increase involvement of children, young people and their parents/carers in patient safety.
- Build on the improvements in incident reporting, particularly in relation to near miss reporting.
- Further embed the use of patient stories throughout organisational processes.
- There is significant feedback from parents but we aim to increase the number of children and young people who provide feedback.
- Utilise staff stories to inform the quality agenda.
- Continue to work collaboratively with Higher Education Institutions (HEI's) to secure successful recruitment of student nurses as part of the Trust Workforce Development Plan.

Key Risks and Contingency

Development of the new hospital will continue to require increasing staff involvement which, in turn, will affect capacity. In order to support the delivery of the Quality Aims and undertake the new hospital development, contingency plans for certain key roles and functions have been developed. The move to the new Alder Hey in the Park will create a risk and to mitigate this, a reduction in activity has been planned prior to the move and immediately after the move to allow staff to become acclimatised to their new working environments.

Patient-Centred Services

The aim of our Transformation Strategy for the delivery of patient-centred services is to maximise the opportunities presented by the new hospital and information technology investments, in order to redesign patient journeys throughout Alder Hey and ensure we 'get it right first time'. We aim to improve patient flow and continue to meet the efficiency challenges facing the NHS going forward, in order for us to deliver exceptional care to match the exceptional design of Alder Hey in the Park.

Key Areas of Work in 2014/15

'How We Will Work In the Future'

In 2014/15, the 'How We Will Work in the Future' (HWWWITF) Programme was implemented as the key mechanism for ensuring the smooth transition to the new hospital with improved pathways of care for children and families. The Programme was structured into eight key improvement projects with clear problems and opportunities to be addressed and realised:

- Surgical Pathway Project
- Medical (Planned) Pathway Project
- Emergency Pathway Project
- Administration of Patient Flow Project
- Management of Ward and Critical Services Project
- Facilities Alignment Project
- Business Support Services Project
- Outpatient Improvement Project

Outlined below are some of the key outputs arising from the work of the Programme that have been developed over 2014/15. As we move nearer to the completion of our hospital, each of these areas will progress to testing and implementation of the new ways of working.

- A more efficient theatre schedule has been developed and agreed for the new hospital, which also includes a revised Surgical Day Case Pathway Model that is currently being implemented. This will result in improved patient experience, increase the total number of patients being treated on a day-case basis and enable minor emergency surgical procedures to be undertaken as day-cases.
- The development of an Enhanced Recovery Service with a pilot programme looking at Inflammatory Bowel Disease patients. The main aims are to reduce length of stay in hospital and to support clinical recovery.
- The pathway for Elective Medical Patients has been agreed with ward standards outlined, models developed to support the care for children with complex needs and expansion of medical day case services.
- The clinical model for Emergency Pathways into the hospital has been developed. Components of this model include further development of the Surgical Decision Unit (SDU), introduction of an Emergency Decision Unit (EDU) and Primary Care (GP) presence in the Emergency Department. The overall aim of this revised model is to reduce assessment time within the Emergency Department and to minimise unnecessary admissions to a hospital bed.

- We have developed standardised ways of working across all wards in order to enhance patient safety, experience and ward efficiency. Other key improvements include improved flow and access for cardiac surgery following a redesign of the cardiac and critical care floor and the development of a Specialist Rehabilitation Unit and pathways of care.
- Revision of all operational models for Hotel Services with a focus on delivering a quality service which includes the introduction of ward based catering, investment in domestics services and more efficient delivery of goods and supplies utilising Automated Goods Vehicles (AGVs).
- Outpatient services have undergone a significant review with a focused effort on addressing current challenges. The improvement projects continue to focus upon the digitisation of clinical records, the introduction of a new electronic patient flow system, and improved booking and scheduling systems to support timely access and meet demand.

The benefits of our HWWWITF Programme will be fully realised following the move to the new hospital in September 2015. Significant planning has taken place across a wide range of areas which will be implemented throughout our move period.

Two key tools which have been adopted by the Trust to help with the planning of the move to the new hospital are:

- 1) The Whole Hospital Handbook; and
- 2) Departmental/operational handbooks.

The Whole Hospital Handbook aims to give a high level overview of how the new hospital will operate from day one. The departmental handbooks are an essential safety and training resource for the Trust and each department. Our departmental leads are developing these handbooks to identify the key issues and risks to be addressed in advance of the move to the new hospital.

Patient and Family Centred Care

We have continued to expand on our current practices of Patient and Family Centred Care (PFCC) in the past year. One way we have done this is to develop our teaching of the PFCC approach, highlighting the importance of quality improvement and quality assurance in medical student education. This is done through a partnership with University of Liverpool School of Medicine and a module called ImERSE (Improving Experience through Regular Shadowing Events). ImERSE sees medical students shadow patient journeys in surgical day-case, the Emergency Department and soon Outpatients. They collect

observations of care experiences and these are used to drive service improvement within the Trust at departmental and intra-departmental levels. ImERSE has gained some national interest, with the team involved helping design a similar module for Stepping Hill Hospital and being invited speakers at NHS Lothian's Person Centred Care launch, the Nuffield Trust Annual Summit and the International Forum on Quality and Safety in Healthcare. There has also been international collaboration with University of Pittsburgh Medical Centre and we are in initial talks with The Institute for Healthcare Improvement for an open resource module based on our work with medical students. PFCC (or PCC) remains one of the main focuses of Health Education England and the NHS Five Year Forward View and we are excited to be in a position at Alder Hey where our developing practices are gaining momentum and more importantly, improving patient experience and care.

Information Management and Technology Developments

Clinical Systems

During 2014/15, the priority of the Information Management and Technology (IM&T) Team was to focus on the implementation of MEDITECH 6, the Trust's new Electronic Patient Care System (EPCS). This has comprised a significant piece of work involving colleagues from clinical and administrative teams across the Trust to design and configure the system to meet the Trust's requirements. It is anticipated that this will deliver significant benefits to patient quality and safety as well as to the overall efficiency of the Trust. The first phase of the system is due to go live in June 2015.

In addition, the Trust has also:

- Commenced using the PACS system to store ECGs in Cardiology.
- Expanded the scope of the scanning of patient records into the document management system ImageNow.
- Continued the use of the BadgerNET system for capturing clinical documentation, facilitating improvements on the Intensive Care Unit. This includes the use of voice dictation for nurses which was funded by a national award.

IM&T Infrastructure

The team has worked with a group of clinicians to test a variety of devices (PCs, tablets and laptops) for use with the MEDITECH 6 system in order to ensure that the devices provided best fit with clinical practice and enable staff to deliver optimum clinical care.

The Trust expanded the use of Citrix virtual desktops and single sign on software has been configured and is being rolled out to support the use of MEDITECH 6.

The team is working closely with the Alder Hey in the Park Team on the installation of the infrastructure, including a new network and telephone system for the new hospital.

Future Plans

- Implement key models of care for the new hospital, ensuring these reflect the new pathways developed.
- Realise the benefits of our transformation work.
- Simulate all models and patient pathways through the new build during the commissioning period to ensure staff preparedness for change and any unidentified issues are captured and resolved.
- Deliver a safe mobilisation and transition plan for the new hospital and Research and Education Centre, building upon workforce engagement and support.
- Outline and commence implementation of the Healthy Liverpool Programme model of care for children and young people, which delivers improved health outcomes, operational and financial efficiencies and supports out of hospital care.
- Safely implement the new EPCS in line with project plans and ensure patient benefits are realised.
- Ensure clear project plans, deliverables and benefits from the Strategic IT Partnership.
- Develop our community models to support out of hospital care.
- Implement our strategic plans and partnership models.
- Continue to develop the vision for the park, including phase 2 of the Research and Education Centre, development of rehabilitation facilities and a Child Development Centre.

Key Risks and Contingency

We are conscious that the implementation of large scale change projects and a hospital move can potentially distract from the delivery of core business and meeting mandatory and statutory requirements, thus we have aligned our assurance committees to have oversight of both aspects up until the move. Our planning for this year reflects these unique in year challenges as well as the opportunities for 2016/17.

International Research and Education

The Trust's ten year integrated Research Strategy aims to place Alder Hey in the best possible position to achieve its vision of being 'one of the recognised world leaders in children's research and healthcare'. It underpins one of the Trust's strategic pillars 'Research and Innovation' and is ultimately designed to lead to improvements in the care and health of children and young people. The strategy has been developed with the input of our key partners, including the University of Liverpool. The strategy recognises areas of research expertise within Liverpool Health Partners and as such seeks to drive research themes in pharmacology (medicines), infection, oncology, inflammation and international child health. It brings together expertise from academic and NHS organisations in order to deliver all types of clinical research.

The Trust has seen its research performance, quality and reputation improve significantly over recent years and has demonstrated it can successfully respond to an ever changing research environment. Areas of research excellence have emerged as described above and it is clear that with support and investment these can flourish and become internationally important. The intention now is to build on these areas of expertise and success while nurturing the themes that have the potential for research excellence.

The context of Alder Hey's research activity is compelling: put simply, it is the need to improve children's health. Children and young people aged 0-18 years comprise 20 to 25% of the UK total population and are more frequent users of health services than adults. All children access health services for health checks, immunisations and assessment when acutely ill. Typically, pre-school children see their general practitioner six times each year, up to half of infants attend A&E and about 16% of children attend hospital in any one year. Two per cent of children have a chronic, life threatening condition. One in ten children has a recognised behavioural or mental health disorder. Outcomes for children and young people remain poor in the UK in comparison to elsewhere in the developed world and outcomes in the North West tend to be worse than elsewhere in England. Mortality from Cancer in children and young people and measures of Diabetes control are poorer in the UK than in most of Western and Northern Europe. Suicide rates in young people are higher than other countries. Acute Asthma admissions are highest in the North West. The need for greater understanding of childhood diseases and the requirement for new treatments are paramount.

Alder Hey provides a wide range of healthcare services for children and young people and offers an unparalleled opportunity to deliver the highest quality research.

The focus is on how we can accelerate our research growth, working in partnership with our academic collaborators and charitable funders. It will only be possible if we support, encourage and engage with the children and families without whose participation advances and discoveries could not be achieved.

Key Areas of Work in 2014/15

- Award of an Arthritis UK Experimental Arthritis Treatment Centre for Children: the only such centre in the UK.
- Re-appointment to the Brough Chair of Child Health with the University of Liverpool.
- Alder Hey continues to be a key founding member of Liverpool Health Partners (LHP) Limited. The LHP Joint Research Office ensures that Alder Hey is linked to key developments in the academic and NHS shared management of research.
- The Trust's Research Strategy Steering Group (RSSG) meets quarterly and has retained high level membership with the Chief Executive and Medical Director in attendance. This enables high level decisions to be made in relation to the integrated Research Strategy. The Department of Health has set up a stand-alone Health Research Authority (HRA) which seeks to streamline research governance in England, in the main overhauling the ethics committee service and scoping the need and feasibility of a single national sign off for all research studies. The Trust's Research and Development Team has been tracking these advancements with the HRA and implications of its development are discussed at the RSSG.
- The Alder Hey National Institute of Health Research (NIHR) Clinical Research Facility (CRF) has achieved significant success in attracting early phase and experimental research to the organisation, including a number of 'global first' recruits into trials of novel medicines in children.
- The CRF has successfully completed a number of inpatient clinical trials, increasing opportunities for children and young people to participate in important research studies.
- The Research Business Unit facilitated the participation of over 2,600 children and infants in research studies and clinical trials: Alder Hey continues to be the largest recruiting specialist children's NHS Trust since inception of the NIHR Clinical Research Network.

- The Clinical Research Business Unit has funded a further two 12 month clinical research fellowships, which have proven to be highly successful in providing dedicated medical oversight of our research and also generating new research protocols in-house with busy clinical teams.

Future Plans

- A review of the integrated Research Strategy to ensure that research plans are contemporary and relevant.
- Consolidation of academic and NHS research teams within the new Research and Education Facility as part of the Alder Hey in the Park development.
- Continued joint working with the Innovation Team and Hub to ensure that novel innovations are rigorously evaluated as appropriate.
- Continuation of the initial success of the CRF will require significant efforts to attract further growth in commercial early phase research.
- The development and appointment of academic posts when resources are finite will require careful collaboration between partners and articulation of clear deliverables. Continued improvement in delivery of applied research requires expansion of research support infrastructure, in addition to protected research time for healthcare professional investigators. Development of commercial partnerships to sustain research infrastructure is fundamental for research growth.
- Protected time and associated support for more NHS clinicians to build research portfolios and support the commercial research growth agenda is required but is often difficult to implement due to pressure on clinical services.
- Preparing for the move to the new hospital in the park requires significant project management and the impact of electronic patient records will need to be managed carefully.
- The changing landscape around research networks, funding, research priorities and national governance provides a challenging landscape on which to base growth and expansion. Leaders within the Trust need to be aware of such changes and provide support for both a proactive and reactive approach in order to continue the success story.

Risks and Contingency

The success of Liverpool Health Partners and the Joint Research Office (JRO) is critical to Liverpool as a whole being in a position to provide a potential Biomedical Research Unit. The JRO is offering sole sponsorship for

studies, Liverpool Clinical Trials Units are working more closely and centralised functions are emerging. More NHS clinicians need to be supported and enabled to lead research, especially commercial research, spread the general research workload and provide the Trust with a bigger resource in consultant time to contribute to the growth agenda.

Participation in Clinical Research

The number of patients receiving NHS services provided or subcontracted by Alder Hey in 2014/15 and that were recruited to participate in NIHR portfolio adopted clinical research was 2,658.

All research is governed by relevant legislation including the EU Clinical Trial Directive, Research Governance Framework, UK ethics committees and the Trust's Clinical Research Business Unit (CRBU) which carries out governance checks to provide organisational permission. International Research and Education is one of the Trust's four strategic pillars of excellence. Furthermore, the Alder Hey/University of Liverpool integrated ten year Research Strategy states that "Every child (should be) offered the opportunity to participate in a research study/clinical trial". The Trust is a member of Liverpool Health Partners (LHP), a consortium of hospitals, the University of Liverpool and the Liverpool School of Tropical Medicine, all working together to provide a world class environment for research and health education. As a significant stakeholder in LHP, Alder Hey demonstrates a strong commitment to contributing to evidence-based, cutting edge healthcare aimed at improving quality of care while holding patient safety, dignity and respect at the centre of everything we do. Being an organisation undertaking high quality patient centred research means that Alder Hey contributes to the health and wealth of Liverpool and the UK as a whole, as well as having an international impact on treatments developed for children. The infrastructure of expertise available at Alder Hey for setting up and successfully delivering clinical research is led and managed by a dedicated team within the CRBU.

Our clinical staff lead and contribute to studies of the latest and newest treatment options, genetic profiling of diseases and drug safety, including adverse drug reactions (side effects).

Alder Hey was involved in recruiting patients to 96 open, NIHR portfolio adopted clinical research studies during 2014/15. While some studies report outcomes fairly quickly, most will not be ready for publication for a few years. Many were research in the area of Medical Specialties, reflecting the prevalence of available research studies in these specialties locally and nationally.

The Quality Report (page 63) deals with research activity during the 2014/15 period. In addition to this, the CRBU published performance data on the Trust website, indicating the time it takes to set up a study and the time taken to recruit the first patient once all permissions have been granted. Alder Hey performs well in this respect. Furthermore, 80% of studies conducted at Alder Hey recruit the agreed number of patients within a set time and to agreed targets. The National Institute for Health Research Alder Hey Clinical Research Facility (CRF) helps facilitate research by providing a bespoke location for research on a day to day basis and has successfully been used to care for research participants overnight who need regular intervention or tests on a 24 hour basis. One of the many advantages of having a fully operational CRF is that it enables investigators to not only undertake later phase research studies but also to undertake more complex and earlier phase studies (e.g. experimental medicine studies) dealing with developing new cutting edge medicines and technologies which are often lacking in children's healthcare. The CRF supports improvement in patient health outcomes in Alder Hey, demonstrating a clear commitment to clinical research which will lead to better treatments for patients.

There were over 350 members of clinical staff participating in research approved by a Research Ethics Committee at Alder Hey during 2014/15. These included consultants, nurse specialists, scientists, clinical support staff and research nurses from across all Clinical Business Units.

Over the past four years, the Trust has witnessed a growth in commercially sponsored studies. There are currently 17 commercial studies open to recruitment and much focus on the use of novel monoclonal antibodies (mAbS) or disease modifiers. Several patients at Alder Hey have been the first global recruits into some studies and as such this bodes well as it demonstrates Alder Hey's commitment to supporting the speedy set up of clinical trials with the support of the CRBU and the NIHR Clinical Research Network. The Trust has an established critical mass of research activity in a wide and growing range of sub-specialties.

For more information on the research portfolio at Alder Hey please visit: www.alderhey.nhs.uk/research

Great Talented People

Our Workforce Strategy sets out the need to harness the commitment and professionalism of its people and to fully engage and support them through the significant changes and challenges facing the Trust. To that end, the strategy sets out clear plans and

targets to improve workforce and succession planning, leadership and engagement, education and learning, health and wellbeing, equality and diversity and relationships with representative groups. The Trust is fully committed to providing the opportunity for its people to be involved in all important decisions that affect them and to shape the future of the Trust.

Key Areas of Work in 2014/15

Further Development of the People Strategy and Workforce Plan

We continue to implement the Human Resources and Organisational Development Strategy and Workforce Plan. The people strategy was revised and updated following consultation and focused clearly on the Trust's strategic objectives, specifically on the identified workforce risks to ensure that all of the HR and OD requirements linked to transformation and the move to the new hospital are properly met and identified risks are mitigated. We have invested in improving the Trust's workforce planning capability, linking the employee staff record to the financial systems.

Delivery of a Trust-Wide Staff Engagement Plan

The *Staff Engagement Plan* was based on the latest research and endorsed by academic experts in the field. The Trust introduced an integrated planning process to provide a solid foundation to significantly improve staff engagement and improved in all key areas as measured by the Staff Survey. We have introduced a new personal development review process which has provided the means to link individual contribution to the Trust strategy.

Roll Out of the Refreshed and Reinforced Trust Values and Behaviours

Work has continued in including the Trust values in all day to day activity. Recognition and support for the values are consistently high across the Trust. Our Trust Induction has been substantially reviewed to properly introduce the values to all new starters. The values basis for PDRs has been cemented in the first round using the new format PDR. The "Raising Concerns" initiative has been based on the values and the values play an increasingly important part in all Trust recruitment and leadership development.

Reinforcement of Partnership Arrangements within the Trust to Ensure Staff Are Properly Consulted About Business Changes

We have continued to develop our consultation structures and processes by introducing more frequent meetings with Staff Side, reviewing and agreeing the formal partnership agreement and providing the

opportunity for representatives and full time officers to be fully engaged in all key decisions.

Development of Excellent Two Way Communications Across the Trust

We have made a significant investment in our internal communications capability and have re-launched an upgraded staff Intranet, introduced a staff newspaper and refreshed our staff briefing process. The Communications Strategy has been updated and approved by the Board. Staff Survey measures of communication have demonstrated improvements in all key areas.

Strengthening of Medical Leadership and Successful Medical Revalidation and Job Planning

All staff appointed into medical leadership roles have been supported with purpose built leadership development initiatives delivered by a known expert in the field. Medical revalidation has been improved by investment in systems and processes. These integrated systems have provided the means to automate all job planning and leave booking tasks.

Improvement of HR Capability Within the Trust

We have successfully changed our outsourced suppliers for payroll and recruitment services in the year. The new suppliers have significantly improved the levels of service provided to the Trust. We have outsourced the management of bank and agency nursing and recruitment of medical locums with a subsequent improvement in service and reduction in cost. The Human Resources Department has been restructured to better deliver transactional HR services while liberating resource to support transformation activity. We have invested in development of our interface with the payroll system and our online learning management system to provide better real time access to managers.

Future Plans

We recognise that the accelerating rate of change within a cost constrained environment will continue to present significant challenges to the people who work in the Trust. For the coming year, the focus for the people strategy will be on ensuring that we maintain and enhance the levels of staff engagement and properly involve, equip and support all of the Trust staff in the process as we prepare and then move into the new hospital. This focus has to be balanced with making sure our strategies and plans ensure that patient care is delivered safely and cost-effectively throughout.

The Trust continues to recognise the need to blend the best features of the organisational culture that has developed in the last 100 years with the changes to how we do things that are currently being introduced, to make the most of the opportunity that the new hospital provides. The key activities for the year are:

- To further improve and reinforce all staff communication channels to ensure that all staff are fully informed of and engaged in the transformation activities and move plans as they affect them.
- To provide support and change management skills to all key Trust leaders.
- To provide detailed and relevant training and support to all staff to ensure that they are fully equipped with all of the required skills and knowledge to safely and effectively move and then function within the new hospital environment.
- To continue to focus on general employee engagement and build on the improvements identified by the Staff Survey.
- To ensure that all staffing costs remain controlled throughout the transition period and beyond.

Key Risks and Contingency

The Trust recognises that in addition to the immediate challenges facing it, the external environment is changing and that the demands placed upon the Trust's employees will continue to change. The Workforce Strategy contains clear plans to mitigate the Trust's two key workforce risks. Firstly the shortage of key skills, by providing the means to predict workforce changes over the next five years and by installing enhanced recruitment and learning processes to address those shortages. Secondly, to ensure that employee engagement is maintained at an optimum level throughout the business change process.

Developing Our Business

In June 2014 Alder Hey submitted a Five Year Strategic Plan for 2014-19 to Monitor. The strategic plan was developed in collaboration with clinicians and seeks to build on the strengths of the Trust while recognising and addressing identified risks and challenges. At the time the Trust completed a comprehensive market assessment which remains current today.

Bed Capacity

- Improve bed utilisation.
- Create additional capacity through efficiencies.

Funding

- Increase funding from other sources e.g. international and private.
- Reduce low margin, non-specialist activity where possible.

Increased Speciality

- Reduce generalist activity on site.
- Increase volume of specialist activity.
- Invest in research and education to improve quality of specialist work.

The Five Year Strategic Plan considered the prevailing and future financial climate and despite the organisation having a history of strong financial performance, it was clear that with the required search for efficiencies and productivity gains, this would be a challenge going forward. It was felt that the organisation's five year strategy must address the key risk to future sustainability, as described in the diagram above:

The following strategic themes were therefore described:

- Alder Hey as a provider of integrated care.
- Developing and formalising strategic partnerships.
- Increasing provision of care to international and private patients.
- Becoming a world class leader in children's healthcare research.
- Developing Alder Hey's education offering.

Future Plans

Our detailed service aspirations in year include:

- Continue expansion of Orthopaedic (including Spinal surgery) and ENT surgery to meet ongoing rise in referrals and achieve required waiting times.
- Extend reach of CAMHS Tier 4 services to utilise additional beds and provide service to out of area patients.
- Expand network of Cystic Fibrosis shared care arrangements, by adding new Trusts into the existing Cheshire and Mersey Network.
- Continue development of neurosciences services, including further expansion of Epilepsy surgery catchment and network.
- Increase SDR activity (a neurosurgical intervention for children with movement disorders) via national commissioning through the evaluation process.

- Use our improved infrastructure to increase our international and private patient provision.
- Continue working with Liverpool Women's Hospital to develop and strengthen the Neonatal Surgery Pathway.
- Develop a service model for cardiac service with Liverpool Heart and Chest Hospital to meet the new standards.
- Partner with the University Hospitals of North Midlands NHS Trust (UHNM) for specialist paediatric care.
- Implement plans for Specialist Paediatric Rehabilitation Services.
- Ensure compliance with all National Specialised Service Specifications.
- Consolidate and develop Operational Delivery Networks.
- Continue to strengthen clinical and executive relationships with key partners.
- Ensure clinical leadership and active partnership in the Healthy Liverpool Programme.
- Agree and deliver a robust and targeted Marketing and Communications Strategy.

Key Risks and Contingency

Given the financial pressures on the health economy, there is potential that commissioners are unable to fund developments. The Trust however engages with all of its commissioners in taking forward any service developments and where possible these are included in the contracts agreed at the start of the year.



Financial Performance

The Board of Directors is pleased to report that the Trust continued its track record of strong financial performance securing the lowest financial risk rating of 4 for the year under Monitor's Risk Assessment Framework, in spite of the challenging financial climate across the service. The Trust is reporting a full year surplus of £16.3m which is a shortfall of £16.5m compared to the plan of £32.8m. However the main reason for this under-performance relates to a variance in the amount of donated income received versus the original plan which is technical in nature. The normalised surplus following technical adjustments is £7.9m which is £4.1m behind the plan of £12m. These adjustments are reconciled in the table below:

	2014/15 £'000	2013/14 £'000
Reported Surplus	16,257	14,568
Normalising Items:		
Mass	0	-159
Fixed Asset Impairment	-512	-2,197
Donated/Grant Asset Income	8,911	4,421
"Normalised" Surplus/(Deficit):	7,858	12,503



Capital expenditure for the year is £70m, which equates to 80% of plan. This is primarily due to the delay in the commencement of the Research and Education building and the slippage of some equipment purchases for Alder Hey in the Park into 2015/16.

The cash balance at the end of the year is £36m which is reporting ahead of plan by circa £10m, largely relating to timing of capital payments and receipt of NHS bank funding and donated income relating to Alder Hey in the Park.

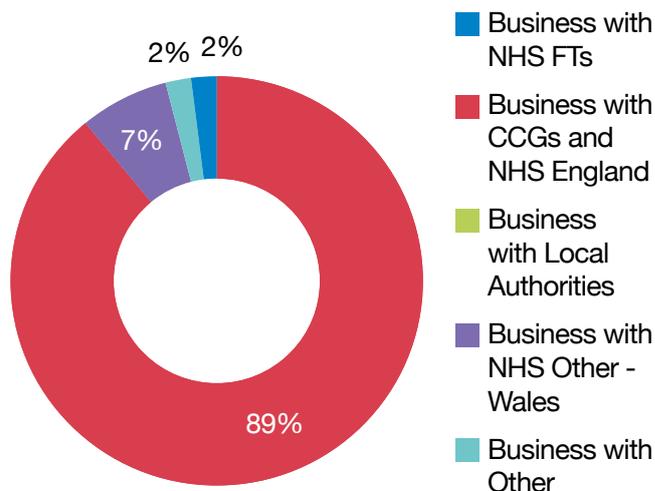
The following table summarises the key financial performance metrics:

Ratio	Criterion	Measure	Weighting	2014/15 CSR		2013/14 CSR	
1	Liquidity Ratio (Days)	Shows Ratio of Liquid Assets to Total Costs	50%	139	4	57	4
2	Capital Servicing Capacity	Shows Revenue Available for Capital Service	50%	7	4	33	4
				CSR 4		CSR 4	

Income

Total income received by the Trust in the year ending 31st March 2015 was £210m with £181.1m (86%) coming from the delivery of clinical services. The Trust's clinical income comes from three main contracts. Our principal contract is with Wirral, Warrington and Cheshire Area Team with a value of £92.7m to provide tertiary services for NHS England. The Trust also provides secondary services over a wide population base with a contract hosted by Liverpool Clinical Commissioning Group (CCG) of £53.2m on behalf of a consortia of 20 CCG's. In addition the Trust has a contract with the Welsh Specialist Commissioners of £11.6m. The £29m non-clinical income includes donations from charities, education and training levies, research activities, services provided to other organisations and commercial activities such as the provision of catering services.

Income by Source 2014/15:

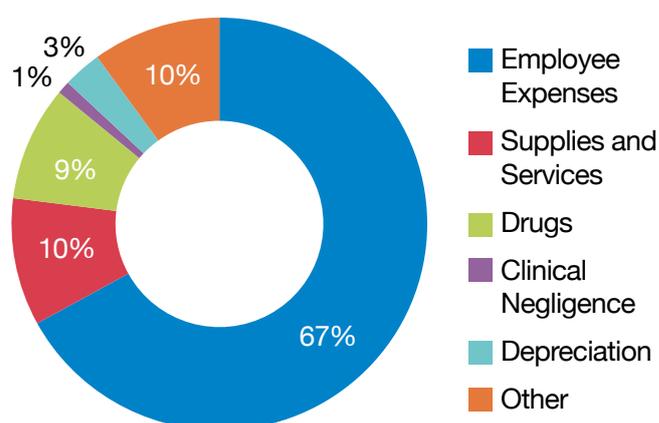


Clinical Income by Point of Delivery

	2014/15	Restated 2013/14 £'000	Adjustments		Original 2013/14 £'000
	£'000		Drugs	MHTier 4	
Elective Income	39,344	38,009			38,009
Non-Elective Income	27,777	24,608			24,608
Outpatient Income	26,384	21,675			21,675
A&E Income	4,791	4,426			4,426
Private Patient Income	94	22			22
Community and Mental Health	20,136	19,045		1,310	17,735
Critical Care	21,273	20,793			20,793
Drugs and Devices	16,805	14,555			14,555
Clinical Services	19,280	23,117	-2,749	-1,310	27,176
Other	5,178	3,317	2,749		568
	181,062	169,567			169,567

Expenditure

Operating expenses totalled £191.7m for the year and, as in previous years, staff costs account for the largest use of resources (67%). An analysis of operating expenses by type is shown in the graph on the right:



Financial and Operating Risk

Non-elective activity exceeded plan for the year whereas elective, outpatients and A&E was below plan. Secondary activity underperformed largely due to recruitment delays and therefore activity is expected to be back on track in 2015/2016. Conversely specialist activity over performed and this over performance has been consolidated in the 2015/16 plan.

Total clinical income for the year was £181.1m which represents an over performance of £5.8m (3%) compared to the plan of £175.3m. Total expenditure for

the year is £193.9m which is £10.6m higher than the plan of £183.3m. Expenditure on pay exceeded the plan by £6.7m which included agency staff totalling £5.9m, although this is partly offset by vacancies in substantive posts. Drugs expenditure is £1.9m higher than planned, although the majority of this is recovered via income for specialist drugs not funded through PBR. The remaining variances on expenditure resulted from other clinical and non-clinical non pay expenditure. £6.6m of cost improvements (CIP) were implemented in year which is £1.7m below the plan of £8.3m.

Capital Investment Programme

During the year the Trust completed £70m of capital investments which will significantly improve services for both patients and staff. A summary of capital investment undertaken in the year is provided in the table below:

Capital Investment Scheme	Investment Benefit From Activities	Value £'000
Planned Capital Maintenance	Includes Scoping Work for Demolition and Maintenance of the Pharmacy Aseptic Unit	438
Research and Education Building	Construction of Phase 1 of the Research and Education Building	7,021
IM&T Capital Schemes	Investment in IM&T Including a New Electronic Patient Record System	6,904
Medical Equipment	Investment in Medical Equipment Partly in Preparation for the Move into Alder Hey in the Park	5,720
Alder Hey in the Park	Construction of Alder Hey in the Park	49,829
Total Capital Investment 2014/15		69,912

Better Payments Practice Code – Measure of Compliance

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

	2014/15	2013/14
Total	94%	93%

Accounting Policies

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

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

Post Balance Sheet Events

The Trust will move into the new hospital building in 2015/16. The PFI will then be an asset on the statement of financial position.

Alder Hey in the Park

Plans for the development of the new Alder Hey continue to progress and the Trust is on track with the financial performance planned to provide the required funding. The Trust continues to manage the risks associated with a hospital building that is almost 100 years old and not fit to provide modern services. Financial resources have been identified within our plans to cover the anticipated transitional and double running move costs.

Board Statement

The Board of Directors approved the foregoing Strategic Report at its meeting on 22nd May 2015.

Signed on behalf of the Board,

Louise Shepherd

Louise Shepherd
Chief Executive
22nd May 2015



The new Alder Hey opened in October 1914. The hospital had twelve wards and around 350 children were admitted from the workhouse and home, or transferred from the nearby Walton Hospital.

The first Matron at Alder Hey was a lady called Mrs Grace Gotts.

Going Concern

After making enquiries, the directors have a reasonable expectation that Alder Hey Children's NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future.

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





Famous first...

Alder Hey was the first health promoting hospital in the UK accredited by the World Health Organisation (WHO).

During the Great War (1914-1918), Alder Hey became a military hospital under the charge of Mr Robert Jones and Miss Herdman.

The first soldiers were admitted to Alder Hey in December 1915. 250 patients were treated at the hospital over two years, cared for by one nursing sister and six members of the voluntary services. Alder Hey also provided X-ray services for four other military hospitals in the area.

Military occupied blocks A to F of the hospital but the Guardians of West Derby insisted that part of the hospital was retained for children already in their care and for the duration of the war.

Directors' Report

Patient Care

Delivering a Strong Performance

Alder Hey continued to successfully deliver on our promises to patients in terms of access to services and infection rates during 2014/15, in spite of an increasingly challenging environment experienced both locally and nationally across Health Services. The table below shows the Trust's performance against key national targets as set out by Monitor within the *Risk Assessment Framework*.

Target or Indicator (Per 2013-14 Risk Assessment Framework)	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Summary Hospital Level Mortality Indicator (SHMI)			n/a	n/a	n/a	n/a
C. Difficile Numbers – Due to Lapses in Care			0	0	0	0
C. Difficile - Rates Per 100,000 Bed Days		6.9	0	0	0	0
18 Week RTT Target Admitted Patients	90%	89.3%	90.3%	90.5%	78.3%	90.2%
18 Week RTT Target Non Admitted Patients	95%	95.8%	95.2%	95.2%	91.3%	95.4%
18 Week RTT Target Open Pathways (Patients Still Waiting For Treatment)	92%	92.8%	92.1%	92.1%	92.9%	92.8%
All Cancers: Two Week GP Referrals	100%	94.7%	100%	100%	100%	100%
All Cancers: One Month Diagnosis (Decision to Treat) to Treatment	100%	97.8%	100%	100%	100%	100%
All Cancers: 31 Day Wait Until Subsequent Treatments	100%	97.7%	100%	100%	100%	100%
A&E - Total Time in A&E (95th Percentile) <4 Hours	95%		96.28%	97.46%	95.34%	96.99%
Readmission Rate Within 28 Days of Discharge			10.5%	10.6%	11.1%	10.7%
Financial and Service Performance Ratings						
Rate of Patient Safety Incidents Per 1000 Bed Days		35.92	Apr – Sept 2014 55.56			
Patient Safety Incidents and the Percentage That Result in Severe Harm Death		0.4% 0.1%	Apr – Sept 0.3% 0.0%			
Financial and Service Performance Ratings			4	4	4	4

In October and November we had a planned failure of the 18 Weeks Referral to Treatment Target for admitted and non-admitted patients. This was in line with national policy and the availability of national system resilience monies that were made available to deal with the growing elective and emergency demands on provider organisations. In line with our plans at the start of the year, we have delivered a reduction in our 18 week clearance rates from 15.6 weeks to 12.4 weeks. In year we have reported no patients waiting over 52 weeks.

Following on from our staffing challenges in 2013/14, the Trust has developed and delivered on a successful workforce recruitment plan. The phasing of this recruitment across the year has meant that the improvements in cancelled operations have not been as significant as we anticipated and so this remains a key improvement target for 2015/16.

We have also delivered on the 4 hour A&E standard across all four quarters of the year and on our Cancer waiting times. The winter months continue to be a challenge each year and the Trust sees and treats high volumes of children that present locally and who are transferred as part of our contribution to the delivery of a major trauma network and tertiary centre for children. We continue to work with our CCG and local system resilience group to look at ways of improving care for children and ensure that hospital attendance and admissions are avoided where other community care exists or can be developed.

A more detailed look at our performance in relation to national and locally agreed targets is set out in the Quality Report section on pages 63 to 113.

Care Quality Commission

The Care Quality Commission (CQC) performed a full inspection of the Trust in May 2014 using its new inspection methodology which assesses organisations against the five key domains:

- Safe
- Effective
- Caring
- Responsive
- Well-led

Overall, the Trust was rated as 'Requires Improvement' although within this, the effective and caring domains were rated as 'Good', as were a number of individual services: A&E, Medical Care, Surgery and Neonatal services, while Palliative and End of Life Care was rated as 'Outstanding'.

The Trust responded positively to the findings of the inspection, developing an action plan to address recommendations set out in the CQC's report. These have now largely been completed, with improvement work in the Outpatients Department being one area that remains ongoing. The main aspects of challenge which the Trust has successfully tackled include nurse recruitment and medical leadership in the High Dependency Unit.

Quality Governance

The Board at Alder Hey continues to review its governance arrangements and underpinning systems and processes on a regular basis. From September 2013, keen to test and challenge itself and the organisation, the Board has shaped its agenda around the five key questions that form the cornerstones of the new CQC inspection process:

- Are we safe?
- Are we effective?
- Are our services caring and compassionate?
- Are our services responsive to patients' needs?
- Are we well led?

In taking this approach the Board can better retain quality as its key focus, with substantive reports that aim to provide real assurance and address principal strategic and operational risks.

The Clinical Quality Assurance Committee, whose membership includes all clinical directors as well as Board directors, carries out more detailed scrutiny under its delegated authority from the Board for oversight of the Trust's performance against Monitor's Quality Governance Framework, the delivery of the Quality Strategy incorporating measures of clinical effectiveness, patient safety and positive patient experience. The work of the Audit Committee complements this by discharging its responsibility for the maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities.

The enhanced Clinical Quality Assurance Committee walk around process, which involves extensive visiting of clinical business departments throughout the month preceding the committee meeting, continued during 2014/15. The aim of this is to provide multiple opportunities for committee members to meet with staff, view service delivery at close quarters and meet with patients and parents to establish first hand feedback of quality of care. The result of this process is a comprehensive action plan agreed with the CBU

Management Team to be achieved in subsequent months and evaluated through the committee.

The monthly Quality Report presented to the Board has continued to be developed during the past year, with the aim of providing key performance measures against the Trust's Quality Aims and highlight the improvement actions required. The report now includes information on nurse staffing in order to provide further level of assurance as well as the regular reporting of this area within the CQC action plan; it also describes the key findings of the quality review programme work undertaken in the month.

The Board Assurance Framework is scrutinised by the Board at its meeting each month to enable the Board to be fully sighted on key risks to delivery and the controls put in place to manage and mitigate them, as well as enabling all members to have an opportunity to identify key issues, concerns or changes. During 2014/15, the Board undertook a full review of its risk and governance framework in response to one of the recommendations contained within the CQC inspection report. A number of key changes were made, including the establishment of a new Integrated Governance Committee chaired by the Senior Independent Director, which aims to provide an additional assurance mechanism that links together more closely the Board Assurance Framework and Corporate Risk Register, which in turn is informed by individual CBU and departmental risk registers. The Committee provides a structured process to test controls and ensure that strategic and operational risks are being addressed as part of a coherent system from ward to Board. Following each meeting, an Integrated Assurance Report is submitted to the Board and is also scrutinised by the Audit Committee. Relevant risks have also continued to be monitored each month by each of the assurance committees throughout the year.

In January 2014, the Trust commissioned its external auditors KPMG to carry out a review of our quality governance arrangements and to independently test out the evidence used in the successive self-assessments undertaken against Monitor's Quality Governance Framework since its publication in 2010. The review resulted in a score of 4.5: the scoring methodology used by Monitor to assess applicants for foundation trust status requires that a score of 4 or lower be achieved in order to progress. While this was considered to be a good score for a foundation trust which has been authorised for a number of years, the Board was keen to make improvements to our quality governance arrangements in response to KPMG's recommendations. A follow up review was therefore conducted in the final quarter of 2014/15, which resulted in a score of 3. The Board recognises that its governance arrangements must be sufficiently

flexible to respond to changing circumstances, which in the coming year will focus upon the key risk to the organisation of securing a safe move to the new hospital.

Further details about the Trust's approach to quality and quality governance can be found within the Quality Report (page 63) and Annual Governance Statement (page 130).

Infection Control

This year has seen the appointment of a highly experienced Infection Control Doctor who has filled the role of Director of Infection Prevention and Control (DIPC). In addition, the Trust has recruited a second Microbiologist to support the IPC service.

The overall Quality Aim that 'patients will not suffer harm in our care,' underpinned by 'no child will acquire a preventable infection due to care delivered at Alder Hey' has been further enhanced by the development of a five year local strategy for infection prevention and control, with an emphasis on further empowering staff to provide effective leadership to ensure compliance with infection prevention and control measures within their areas. The challenges posed by the existing estate continue to impact on the ability to consistently deliver safe care. Therefore an enhanced audit programme and monitoring processes have been implemented to identify potential areas of risk.

A key objective for 2014/15 was to engage staff in infection prevention and control. This has been successfully achieved through the implementation of Post Infection Investigation Review meetings with staff, which identify lessons to be learnt while improving the service going forward.

Work has been undertaken to ensure that risks associated with our move to Alder Hey in the Park have been identified and mitigated through working in collaboration with authorised engineers to ensure water safety and decontamination processes are in place.

This year has also seen innovative partnership working in the following areas:

- Networking with Birmingham Children's Hospital has enabled us to commence benchmarking the Trust's hospital acquired infections (HAI) against a comparable organisation. In joint working with Birmingham, the Trust undertook a point prevalence survey providing a snap shot of hospital acquired infection of all types.
- The Finance and Infection Prevention and Control departments are working together to identify the

financial impact of a patient having to stay in hospital longer than planned due to developing a hospital acquired infection. The information will be used to raise staff awareness of the organisational impact and importantly, the impact a hospital acquired infection has on the patient.

The Outpatient Antibiotic Therapy (OPAT) Service has been successfully introduced, enabling many children to be discharged home while still receiving intravenous antibiotic therapy. Being able to reduce children's hospital stay improves their patient experience and optimises their care regime. The IPC Team has also overseen:

- Introduction of antimicrobial stewardship ward rounds working with senior clinicians to help reduce unnecessary and prolonged antibiotic usage.
- Investment in Film Array technology which has ensured improved diagnostics and enabled closer working with patient flow to ensure the safe appropriate placement of children with respiratory viruses during the busy winter season.

Detailed infection control performance is provided in the Trust's Quality Report.

External Awards and Endorsements Achieved by Alder Hey in 2014/15

- Alder Hey won the 'Improving Care with Technology' award at the 2014 HSJ awards.
- Alder Hey won the Efficiency and Innovation Award at the Healthcare Financial Management Association Awards, which celebrate excellence in financial departments across the NHS.
- Our Flu Fighter Team was shortlisted for 'Best Flu Fighter Team' by the annual NHS Employees Awards in recognition of the work they have done this year in increasing uptake in staff receiving the vaccine to more than 80%.
- Dedication to delivering value to the community, education and employment while constructing Alder Hey in the Park was recognised when construction delivery partner Laing O'Rourke received a gold award at the 2015 national Considerate Construction Scheme (CCS) awards.
- The Alder Hey Communications Team was recognised in the North West CIPR (Chartered Institute of Public Relations) Pride Awards: the team won Gold Awards for Best Healthcare Campaign for Alder Hey's corporate PR and Best Non-Profit Campaign for our

Capital Appeal launch. Individual team members also won category awards.

- The Trust was awarded Freedom of the City of Liverpool in May 2015.

Patient Feedback

'Fabio the Frog' is an electronic device in the form of a tablet, containing software enabling patient and carer feedback to be collected and analysed providing 'real time' data. The Trust's volunteers receive training in the use of the device as part of their induction and support the clinical teams in improving patient experience, engagement and feedback, with a focus on the following areas in line with the Quality Aims work:

- Patients and families will have received information enabling them to make choices (involvement in care).
- Patients and families will be treated with respect.
- Patients will engage in play and learning.
- Patients and families will know the planned date of discharge.
- Patients and families will know who is in charge of their care (lead consultant or key worker - long term conditions, mental health).

The questions are asked in three formats appropriate for children, young people or parents/carers. Each CBU receives monthly ward specific reports; this information populates and updates the associated action plan for improvement in the key areas of the Quality Aims for each CBU. The clinical areas use this information to assign a patient satisfaction score, which is demonstrated on the 'Know How You Are Doing' boards on display in each area.

The feedback is demonstrated in the monthly Quality Report presented to the Clinical Quality Steering Group and the Clinical Quality Assurance Committee. Graphs demonstrating the Trust-wide responses to the Quality Aims Survey are displayed in the main reception area, with details of actions taken in response to feedback. The quantity of responses is monitored on a monthly basis by the Head of Patient Experience, who will identify areas where response rates are poor. In such circumstances, the Ward Manager and Volunteer Services Manager will discuss how resource can be increased to improve compliance. The number of responses received varies between 300 and 500 per month. This is a significant increase from previous years.

The feedback shows high satisfaction scores relating to patients and families receiving information that enables them to make choices, patients and families being

treated with respect and patients and families knowing who is in charge of their care.

Lower satisfaction scores are demonstrated regarding ability to engage in play and learning. To date, the feedback has demonstrated variances in terms of length of stay in different areas and this has adversely affected Trust-wide data.

The Patient Experience Team recognises that the measures contained within the Quality Aims may not be appropriate for some areas, e.g. ICU, HDU and Neuromedical wards. The staff in such areas care for patients whose length of stay is extremely unpredictable. This has become more evident when assigning patient experience scores and as such, the questionnaire design will be modified to reflect this.

‘Friends and Family Test’

Since April 2013, the 'Friends and Family Test' (FFT) has been asked in all NHS Inpatient and A&E departments across England and from October 2013, all providers of NHS funded maternity services have also been asking women the same question at different points throughout their care. This is mandatory in children’s care from April 2015.

The Trust introduced this feedback enquiry into the Quality Aims questionnaire in October 2014. Initial findings indicate that 98% of children, young people and parents would recommend Alder Hey to family and friends if they required our services. This information is collected on a continuous basis in the clinical areas and the findings presented in the monthly Quality Report.

Patient Information

There are currently 128 patient information leaflet/booklets produced within the Trust. These documents are available on the Intranet and internet for patients, their families and staff to download. Five ratified leaflet/booklets produced by the Trust have been produced for children and one leaflet has been translated into another language on request.

Procedures and process for the production of patient information have been updated. Membership and terms of reference of the Patient Information Assessment Group (PIAG) has been assessed and due to difficulties causing a delay in progressing newly developed leaflets, the process has been redesigned to ensure a comprehensive evaluation of the information without the need for the involvement of a formal group.

The process for ratification of leaflets has been streamlined to be in alignment with ratification procedures of Trust policies and to reduce bureaucratic procedures. The A-Z index of patient information leaflets has also been restored onto the Trust website and Intranet. The new ratification process has resulted in a 19% increase of patient information leaflets being uploaded onto the A-Z index.

Clinical Support Unit	Ratified Leaflets
Business Support Unit	16
Clinical Support Unit	18
Integrated Community Services	30
Medical Specialties	25
Neurosciences, Musculoskeletal and Specialist Services	22
Surgery Cardiac Anaesthesia and Critical Care	17

Work has continued to support collaborative working with other initiatives that the Trust is involved in. Guidance and support have been provided on a number of projects including Patient Voices and ABC Dental leaflets. Information, advice and guidance has continued to be delivered to staff at all levels on a range of topics including letters, posters and audits. An audit of patient information leaflets was completed during 2014.

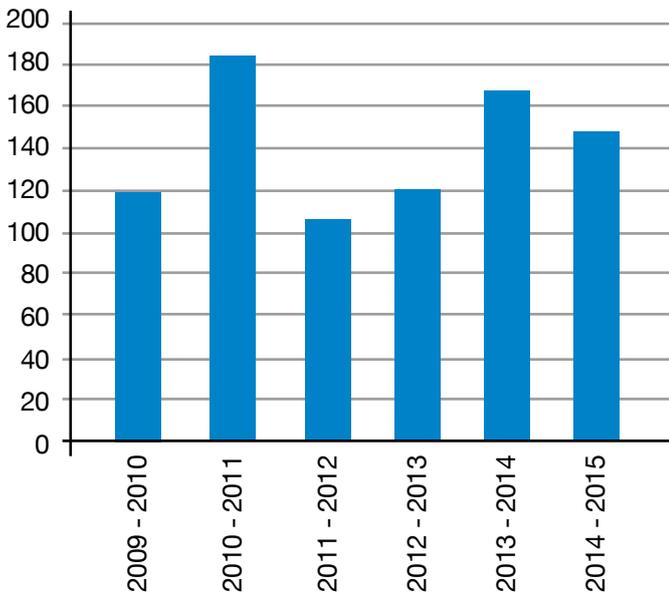
Improving Our Appointment Letters

The Patient Experience Department undertook an audit of appointment letters during the year. The purpose of the audit was to provide evidence of the content and format of appointment letters by developing a quality assurance mechanism which demonstrably met the national and local communication requirements and expectations of our service users. The aim was to modernise an element of this service so that it aligned to the business objectives and values of the Trust. A literature search was conducted to identify good practice and national guidelines and an audit tool was developed. A report of the findings with recommendations was produced to inform improvements.

Complaints

During 2014/15 the Trust received 159 formal complaints, of which 21 were withdrawn by the complainant as a quick resolution of the concerns

was facilitated by the Complaints Department and CBU teams. A further five complaints were being reviewed or required a formal Root Cause Analysis (RCA) investigation and as such followed the Trust's 'Being Open' policy. The complainants were advised that if they remained dissatisfied having discussed the RCA findings with the CBU Team, they should contact the Complaints Team. Therefore a total of 133 formal complaints have been logged, which is a decrease of 33 complaints on the previous year.



During this period, there has been an improvement in the amount of complaints resolved within an agreed timescale.

Q1	69%
Q2	98%
Q3	95%
Q4	90%

The flexibility which the process for complaints management affords has assisted in resolving complaints and concerns in a time frame approved by the complainant. However, time taken to provide a response has been closely monitored to ensure a through but timely response is provided to the complainant.

Days Taken to Respond	Total
Up to 30	34
31-40	23
41-50	19
51-60	9
61-80	9
81-100	5
More Than 100	2
Ongoing Complaints	28

There has been an increase in resolution meetings, aimed to provide a flexible approach to addressing complaints and concerns. The purpose of the resolution meeting is to provide a flexible and more personal approach to the process. Meetings are recorded using a digital device, enabling the complainant to receive an immediate record of the meeting. Subsequently, a response letter from the Chief Executive is forwarded to the complainant acknowledging that the meeting has taken place and highlighting the actions that have been agreed in response to issues raised.

Learning From Complaints

Actions taken as a result of complaints during this period include:

- Anaesthetic Department to produce an information leaflet to enable patients and their families to understand the different techniques used to administer an anaesthetic.
- Ongoing recruitment to Community Paediatric Team to increase capacity.
- Consultants made aware of need to consider timeframes when administering pre-meds following administration of enema.
- Visibility of nursing staff to be improved through changes to the environment on the Neuromedical Ward.
- Task and Finish Group established to develop a personalised care scheme where named person is responsible for individual appointments. Complainant keen to take part in this piece of work.
- Community Paediatric Team reviewing the current process of obtaining consent from parents.
- Service Group Lead to raise specific concerns at Risk and Governance meetings for further consideration to improve appointment delivery and communication.
- Liverpool Clinical Commissioning Group made aware of complaint and continue to work with Trust to address capacity in the Ambulatory Service.
- Implementation of a skin care bundle to accurately assess children at risk of pressure sore development on and during their admission.
- Trust has purchased a number of new wheelchairs to support children and families.
- Review of nursing staffing levels undertaken within the Direct Inpatient Admissions Unit.
- Senior Ward Sister to work closely with the Theatre Co-ordinator to ensure all children are appropriately prepared for theatre before they are transferred for their operation.
- Epilepsy nurses to liaise between parents/school to reduce miscommunication.

- Lead Nurse to investigate issue of poor fitting TED stockings.
- Lead Nurse to investigate issue of delayed Urology review and discharge arrangements.
- Review of process for ensuring interpreting services are arranged prior to appointment.
- Training programme being devised to support development of a consultant role.
- Spinal Nurse Specialist appointed.
- Pathology to revisit a comparative study to ascertain if new technology will provide accurate bloodspot phenylalanine results in a more timely manner than current system.

Children and Young People's Forum

The Forum membership consists of three groups:

- Children aged 7 to 11 years;
- Young people aged 11 to 18 years; and
- Parents and carers.

The Forum meet every two months, in addition to various activities held alongside formal meetings. The Forum agenda consists of items requested by members and requests from Trust staff who value engagement with the Forum when developing services, new innovations and when patient views are sought.

Many of the Forum members have enjoyed participation in the planning of the new hospital as part of the Children and Young People's Design Group. The group has participated in engagement with contract bidders, building plans, interior design, assisting in recruitment, and planning of art for the internal and external environment for the new building. The Forum has had an extremely busy year, with an increasing amount of requests for participation in projects, research and evaluations.

The Forum has welcomed the participation of a member of the Trust's Council of Governors who facilitates an independent link between the Forum and the Trust.

Forum activities during this period include:

- Participation in centenary celebrations.
- Evaluation of health books for the use of children and young people within the hospital.
- Meeting with Care Quality Commission (CQC) inspectors as part of the Trust's inspection and holding an informal meeting with CQC Chief Executive David

Behan when he visited the Trust in November 2014.

- Meeting HealthWatch representative to understand the role of this service.
- Working with CQC researchers to design patient survey questionnaires.
- Participation in PLACE assessment.
- Filming of forum for '5 Moments' in infection control DVD.
- Development of quality improvement plan, safety campaign and ward accreditation scheme.
- Involvement in study of children's experience of 'clinical holding'.
- Involvement in wording of Trust 'Promise to Patients'.
- Involvement in study of the effects of the hospital environment for children's pain management.
- Review of theatre environment.
- Discussion with Catering Team on the provision and quality of food and refreshments for patient and visitors.
- Use of 'Ditto' device as a distraction resource.
- Election of Junior and Young Lord Mayor.
- Regular discussions with Louise Shepherd, Trust Chief Executive.
- Strong links with School Parliament as representatives of Alder Hey.
- Review of Relatives Charter.
- Design of poster for medication safety awareness.
- Provided focus group at consultant recruitment process, feeding back to the interview panel.

Volunteers

The Volunteering Department is responsible for the recruitment, training, placement, recognition and the retention of volunteers within the hospital and the community together with management of the front of house Concierge Service.

It is also the central administrative hub for all other 3rd party volunteering organisations that support and work with Alder Hey. These organisations include Alder Hey Children's Charity, the Alder Centre, Face to Face, Everton in the Community, Woodlands Health and Beauty and corporate volunteers.

This has been an exciting and productive year for the Volunteering Services Department. The team has been extremely busy further developing the Volunteering Services Programme. A re-launch programme and comprehensive recruitment plan has enabled the service to increase its workforce from 20 to 395 active volunteers since October 2013.

This has been achieved by close engagement with departmental managers and staff to support our volunteers within their department. The Volunteering Services Team has been able to support all departments with the provision of volunteers on a regular and ad-hoc basis. Volunteers who feel appreciated, supported and involved are more likely to continue and add value for longer and so this is an important aspect of any programme.

Volunteers offer an effective and resource-efficient method of engaging local communities, developing new and innovative services and making the patient and family experience at Alder Hey a positive one. The Volunteering Services Programme is a key component of the Trust's plan moving forward into the new hospital.

Current volunteering opportunities and placements include:

- Clinical areas – inpatient and outpatient
- Administration teams
- Research and Development Team
- Patient Experience Team
- Spiritual Care Team
- Health promotion
- Executive Team

Volunteer Team achievements during the past 12 months include:

- Re-launch event for volunteering services (31st March 2014).
- Successful recruitment programme.
- Development of bespoke training induction facilitated by Volunteering Services Team covering all 10 core skills.
- Seven Volunteer Recruitment Awareness Events within the past 12 months.
- Development of policies, procedures and standard operational procedures for all aspects of volunteer services.
- Re-branding of volunteering services and provision of printed information for external and internal communication.
- Implementation of Ulysses volunteers module to support an efficient database and paperless department.
- Working in partnership with external agencies e.g. DAISY UK disability organisation, Work Solutions/Learn Direct to place long term unemployed people in work placement for 30 hours a week for 27 weeks.
- Increased provision of concierge services, to include Saturday service.

- Introduction of reduced rates for volunteers using the Trust gymnasium facilities.
- Counselling support for all volunteers.
- Provision of NVQ Level 2 opportunities in customer care for volunteers.
- Identification of all 3rd party volunteers and assurance that recruitment process has been completed.
- Successful Volunteers Week including entertainment and recognition for our volunteers ending with a garden party.
- Co-ordination and distribution of Easter and Christmas gifts for children.
- Celebration and recognition of volunteers' contribution at a special awards ceremony in December 2014.

Volunteering Projects proposed for 2015/16:

- Provide a befriending service for international patients.
- Gardening Project; to improve the external environment.
- External concierge to further support Smoke Free site status.
- Alder Hey in the Park; volunteer involvement with the Big Move.
- Alder Hey in the Park; volunteering input, particularly to support concierge and clinical areas.
- Implementation of Alder Hey Guides and Scouts.
- Support continuing recruitment to Trust membership.
- Assist in providing Fabio training and feedback in all departments.
- Provide disability support.
- Support implementation of the 'Friends and Family Test'.

The Volunteer and Concierge Team will play a pivotal role in ensuring a smooth transition and the ongoing delivery of quality service in Alder Hey in the Park. The Concierge Team will, for many patients, families and visitors provide 'meet and greet', information provision and a signposting service. It is imperative that the service and staff are excellent ambassadors, demonstrating the core values promoted by the Trust.

Arts for Health

“Everyone I have met through the Arts for Health Programme has been passionate about their art form and wanted to make the patient's and family's stays the best it can be. Their passion is then shared with the patients, families and staff making a big difference. I feel it lifts the mood on the ward to one of light-heartedness and fun. It includes everyone and excludes no one. More please!” **Parent of Patient, Ward C3**

The Trust remains committed to supporting the therapeutic benefits to our patients that are derived from participation in artistic activities. The last twelve months have seen unprecedented levels of activity within the Arts for Health Programme at Alder Hey. Over 240 workshops have taken place within the hospital and some of its community sites, with over 2,300 patients directly involved in arts participation during the year. Programmes have included music, storytelling, visual arts, animation, film making, creative writing and dance and movement. In addition, the Arts Coordinator is part of the Strategic Arts Team, directing a number of significant arts commissions for Alder Hey in the Park. The Arts for Health Team continues to work closely with its Cultural Champions: Tate Liverpool, FACT, Merseyside Dance Initiative, The Comedy Trust, Live Music Now and Manchester Metropolitan University Arts for Health Department, amongst many others.

Key achievements in 2014/15 include:

- Undertaking and completing a major community arts programme with three local schools and our Children and Young People's Forum as part of our centenary celebrations. The project was a collaboration with The Comedy Trust and children's writer Hilary Keating. Artwork produced from the project was displayed on the hoardings surrounding the new hospital and received wide media interest. The project was funded through the Heritage Lottery Fund.
- Completion of a ten month animation project exploring radiotherapy treatment on the Oncology Unit. The animation is now being used to support other patients undergoing radiotherapy treatment. A launch and world premiere screening of the animation was held for patients, family and staff who were involved in the project.
- Securing £20,000 for a major musical mentoring project, £18,000 for an Oncology animation project and £9,900 for our dance and movement programme, all from external funders.
- Completion of another Breathe dance programme and launch event as part of the Trust's centenary celebrations.

- A comprehensive quantitative and qualitative service evaluation completed for the Arts for Health Programme.
- Commissioning of five internationally renowned artists to create artwork for Alder Hey in the Park. These are: Lucy Casson, who is creating artwork for the wayfinding programme and main atrium; Linda Schwab, who is creating artwork for the Sanctuary Space; Catrin Jones, who is creating artwork for the hydrotherapy pool; Alyosha Moeran, who is creating artwork for the Bereavement Garden; and the Society of Cinematic Architecture, who are creating an interactive digital artwork for the main plaza.
- Presentations of our programme at a national conference in Dublin.
- Commissioning and completing three documentary films to showcase our work.

Stakeholder Relations

Partnerships with Other NHS Organisations

Alder Hey currently has relationships with nearly 30 hospitals, with clinical involvement ranging from quarterly outpatient clinics to weekly surgical lists and the joint networked provision of complex services. The most significant partnership is with University Hospitals of North Midlands NHS Trust (UHNM) where we are seeking to support the redesign of paediatric surgical pathways for children across the North Midlands region. The aim of the partnership is to reduce overall waiting times, improve clinical and patient reported outcomes, enhance the skills of the UHNM clinical staff and improve the overall experience for children and their families.

Alder Hey has significant and successful experience of working through clinical networks and has evidence of how robust clinical peer review and clinical standardisation has driven up service quality. Through joint appointments, strong clinical supervision and robust training and education, Alder Hey is working to develop a service chain model to provide a range of high quality paediatric services across a number of geographies. All this work is supported through routine NHS funding arrangements.

Locally Alder Hey works with partners to continue to improve the clinical offer for Liverpool and the wider Merseyside region. We are actively working to develop a local integrated community services model which will promote the health and wellbeing of children and families by providing co-ordinated uninterrupted

outcome focused services. Our partners in this work include Liverpool Women's Hospital, Liverpool Community Health, Liverpool City Council and Liverpool Clinical Commissioning Group.

Partnership with Voluntary Organisations and the Private Sector

The Trust has strong relationships with many voluntary organisations and recognises the value and importance of working with stakeholders to secure high quality services for children, young people and their parents and carers. We have an active Children and Young People's Forum (described above) which the Trust continues to work with and engage in the development of services, plan for the new hospital and involve in the appointment of key members of staff. We are also actively engaged with many charitable organisations through our fundraising work which has played a major role in the development of Alder Hey.

Key Trust medical personnel continue to nurture our relationships with both the Kanti Children's Hospital in Nepal and with the Christian Medical College Hospital (CMCH) in Vellore, India. These relationships operate under a memorandum of understanding based upon the model of a 'health link' between both organisations, with the aim of fostering co-operation and the exchange of knowledge and skills in the areas of paediatric medicine and surgery, including education, clinical practice, training, working practices, the use of technologies and research.

In December 2013, the Trust entered into a strategic partnership with BT in support of the development of Alder Hey's vision for IM&T, in the context of the new hospital and the opportunities for innovation. During 2014/15, the emphasis was on securing a number of 'Quick Win' pilot projects designed to test out the most viable of the ideas generated at a 'hot house' event held between the two organisations in March 2014. Initiatives that have been taken forward in the last year have included a telehealth pilot, which has helped to cut out unnecessary journeys to the main hospital site for some of our patients; the Patient Entertainment and Therapy System (PETS) which will enable a virtual hospital environment within the new building; and the development of an 'agile working' approach for some Trust staff.

Educational Partnerships

We continue to fulfill our corporate citizenship role through our partnerships with local schools, providing vocational education placements for school students aged 16-18. We have partnered with these schools for the past four years, supporting the students to attain their BTEC Health and Social Care Advanced Level 3 on site, and many of the students have gone onto higher education towards careers in health and social care and primary school teaching.

Our corporate partnership with Fiveways Trust has been in place since January 2013. The Fiveways Trust is a charitable trust comprising Broadgreen International School, Broadgreen Primary School, Liverpool Hope University, Liverpool John Moore's University and Liverpool CCG.

The aim is to raise standards at the two schools using the experience, networks and expertise of the partner organisations. Through partnership working between our Health Promotion Practitioner and Broadgreen International School, the role of health ambassadors has continued. The ambassadors are selected from Year 12 pupils at Broadgreen International School. They develop initiatives around specific health promotion topics and deliver these in an interactive workshop during a health event carried out with Year 6 pupils from Broadgreen Primary School. The partnership was awarded an Investing in Children Award in July 2014. One health ambassador described their experience as extremely positive they said: *"When we ran the events it was really good to see how much the young people were gobsmacked that pupils could be teaching them instead of adults. Quite a lot of them opened up to me and by us running it, it was more enjoyable as we could have a laugh with them."*

Support has also been offered to the Fiveways Trust during Broadgreen International School World of Work Day, where two representatives from the Trust attended the school to discuss careers in the NHS with Year 10 pupils.

Alder Hey Children's Charity

During 2014/15, the focus of Alder Hey Children's Charity was on the £30m Capital Appeal to support the new Alder Hey in the Park and to raise funds to support the building of a state of the art Research and Education Facility.

During the year, the Charity supported the hospital with grants totaling £13,271,670. This included funding for the new Oncology Unit, a new MRI scanner, a

patient distraction system in the cardiac outpatient echo rooms, a significant contribution to phase 1 of the Research and Education Facility, research posts and ongoing support for toys and arts for patients.

The funding of research developments has grown substantially with early indications of success in developing national and international significance. Working in partnership with the University of Liverpool Fundraising Team, the Charity secured £1.7m of funding and pledges toward the second phase of the Research and Education Centre. Fundraising for the second phase will continue during 2015/16.

We continue to build strategic relationships with corporate partners. This year Matalan delivered a cause related marketing product, alphabet scarves, with the £500k profit being donated to Alder Hey Children's Charity. This product was backed by a national multi-million pound advertising campaign across all channels including prime time television.

In addition Home Bargains, a long standing supporter of Alder Hey, donated £500k towards theatre enhancements in the new Alder Hey in the Park.

Strategic advice was also provided by Shop Direct at Executive level, which offered expertise in the digital personalisation arena both for the Charity and the Hospital's Innovation Hub.

Internationally the Charity has won support from Sony Europe Ltd, which is working not only with the Charity on digital entertainment products for the new hospital but also developing a strategic partnership with the Trust on innovation around medical devices. In addition, links have been made with major travel and tourism companies, supported by the Institute of Travel and Tourism and further partnerships will begin to bear fruit during 2015.

The Charity continues to build its community supporter base across the UK and launched a community lottery in the autumn of 2014 which has been highly successful, with over 5,000 subscribers to date. This is expected to provide a sustainable future income stream for the Charity with estimated income of £1m per year by year 5.

The Charity's first bespoke overseas challenge was held this year, raising £60,000 and the forthcoming overseas challenge to India is already fully booked. Last year, for the second year running, the Charity provided the largest number of skydivers through Skyline. This trend continues with 2015 events almost booked out.

Income from sponsored events has increased by 390% and there are now approximately 50 tribute funds.

The Charity continues to work to develop its profile nationally to become the children's charity of choice. We now have ten young community ambassadors, working throughout the North West and the Midlands to both raise the profile of the organisation and fundraise for the new hospital. Young Ted McCaffery, aged 7, won the Young Fundraiser Award at last year's Pride of Britain Awards, achieving national profile and recognition. Nine year old Grace Lee was a You Tube sensation, singing 'Lean on Me' at a flash mob at the Liverpool One shopping centre backed by 100 people.

The Trustees of Alder Hey Children's Charity took the decision, supported by the Trust, to move to independent status from 1st April 2015. The Charity's objectives remain to support the staff, patients and families of Alder Hey.

Statement as to Disclosure of Information to Auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



Soon after the Great War, with the departure of military personnel, Alder Hey was used exclusively for children. There was an obvious need for a dedicated children's hospital in the area. This was endorsed by Sir Robert Jones, who advocated the increased provision for orthopaedic surgery and treatment for children.

Many children came to Alder Hey from the workhouse or were from poor families, where poverty led to neglect and malnutrition.

During Alder Hey's early years, younger children were often admitted with deformities resulting from Tuberculosis, or with conditions such as Rickets and Polio. Older children were afflicted with a wide range of conditions, including Rheumatic Fever, Chronic Ear Disease, and fractures. Scabies, Ringworm and other skin diseases were abundant.

Remuneration Report

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

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

The Chair undertakes the annual appraisal of the Chief Executive, who in turn is responsible for assessing the performance of the executive directors and associate directors. The Committee convened four times during the year with all non-executives attending.

The Committee considered and rejected a proposal to introduce a retention scheme for executive directors and non-agenda for change senior managers, based on deferred pay awards, on the basis that in the context of the overall financial environment in which the Trust and NHS as a whole is currently operating, this would be neither appropriate nor affordable. It agreed that a non-consolidated one percent salary increase should apply to executive directors salaries. The Committee receives professional advice from the Director of Human Resources and Organisational Development, who utilises comparative information from the sector. The Trust does not award bonuses over and above the basic remuneration of its directors. At the time of reporting there is no intention to change the existing remuneration policy.

The Chief Executive and executive directors are employed on permanent contracts of employment; they are entitled to receive six months notice and may give three months notice. Provision is included within contracts of employment for contracts to be terminated with immediate effect and without compensation in certain circumstances. Rates of pay for all senior managers are based on job size, market intelligence (including published remuneration surveys) and performance. They are set with regard to the remuneration of other Trust employees who hold contracts under terms and conditions agreed nationally, by assessing relative and proportional rates of pay.

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

Table 1: Off-Payroll Engagements as at 31st March 2015, For More Than £220 Per Day and That Last Longer Than Six Months

Number of Existing Engagements as at 31 March 2015	14
<hr/>	
Of which:	
<hr/>	
Number That Have Existed For Less Than 1 Year at Time of Reporting	5
<hr/>	
Number That Have Existed For Between 1 and 2 Years at Time of Reporting	5
<hr/>	
Number That Have Existed For Between 2 and 3 Years at Time of Reporting	0
<hr/>	
Number That Have Existed For Between 3 and 4 Years at Time of Reporting	0
<hr/>	
Number That Have Existed For 4 or More Years at Time of Reporting	4
<hr/>	

The Trust can confirm that all existing off-payroll engagements outlined above have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and where necessary, that assurance has been sought.

Table 2: For All New Off-Payroll Engagements, or Those That Reached Six Months in Duration, Between 1 April 2014 and 31 March 2015, For More Than £220 Per Day and That Last For Longer Than Six Months

Number of New Engagements, or Those That Reached Six Months in Duration Between 1 April 2014 and 31 March 2015	5
Number of the Above Which Include Contractual Clauses Giving the Trust the Right to Request Assurance in Relation to Income Tax and National Insurance Obligations	5
Number For Whom Assurance Has Been Requested	5
of Which:	
Number For Whom Assurance Has Been Received	5
Number For Whom Assurance Has Not Been Received	0
Number That Have Been Terminated as a Result of Assurance Not Being Received	0

Table 3: For Any Off-Payroll Engagements of Board Members, and/or, Senior Officials, With Significant Financial Responsibility, Between 1 April 2013 and 31 March

Number of Off-Payroll Engagements of Board Members and/or Senior Officials With Significant Financial Responsibility During the Financial Year*	1
Number of Individuals That Have Been Deemed "Board Members and/or Senior Officials With Significant Financial Responsibility" During the Financial Year	38

* In relation to this engagement the exceptional circumstances that led to this was a business need for specialist advice. The duration of the engagement was two years.

Senior officials include five clinical directors who are engaged in clinical activities for the majority of their time but are including in the figures as one rather than part time.

The Nominations Committee of the Council of Governors is responsible for setting the remuneration allowances and other terms and conditions of non-executive directors. It comprises one appointed governor and two elected governors, one of whom must be a Staff Governor; its other members are the Trust Chair (or Acting Chair in the case of the appointment of a new substantive Chair) and Chief Executive. During 2014/15 the Committee was responsible for the recruitment of one new Non-Executive Director; thus it met on sufficient number of occasions to fulfil its obligations in relation to these duties, specifically to review the balance of skills, knowledge and expertise required on the Board in the context of the challenges ahead and in this context to agree job roles, person specifications and modes of advertisement, to undertake shortlisting and to make a formal appointment.

The Trust Chair is responsible for assessing the performance of the non-executive directors. The Chair's appraisal is undertaken by the Senior Independent Director using an inclusive process across members of the Board and Council of Governors, in accordance with a policy which has been developed to reflect best practice nationally. For non-executive directors' remuneration, comparative data is provided to the Nominations Committee from other foundation trusts, mutual organisations and the private sector. Remuneration rates for non-executive directors have remained at the level set by the Nominations Committee following the review undertaken in 2009/10.

During 2014/15 there was a total of 13 Board directors in post across the period. Of these, 12 individuals claimed £13,797.22 in expenses; figures for 2013/14 were 15 directors claiming £19,537. In the year there were 37 governors in office, three of whom received £1,124 in expenses; whereas in 2013/14 two governors claimed £106.

The HM Treasury FReM requires disclosure of the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid Director (as defined as a senior manager in paragraph 7.28 and paragraphs 7.34 to 7.38), whether or not this is the Accounting Officer or Chief Executive. The calculation is based on full-time equivalent staff of the reporting entity at the reporting period end date on an annualised basis. Foundation trusts shall disclose information explaining the calculation, including the causes of significant variances, where applicable. Further guidance is provided on the HM Treasury FReM's website

(document 'Hutton Review of Fair Pay - Implementation guidance').

The remuneration of the median salary and multiple to the highest paid employee of the Trust for 2014/15 and the prior year comparative is provided below:

	2014/15	2013/14
Band of Highest Paid Director (Bands of £5,000)	£150-155	£220-225
Median Total Remuneration	£30,223	£32,551
Ratio	5.0	6.9

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

Signed:

David Henshaw

Sir David Henshaw
 Chairman
 22nd May 2015



Salary and Pension Entitlements of Senior Managers – Total Remuneration

Name	Title	2014/2015			2014/2015				
		Salary (Bands of £5,000) £000s	Taxable Benefits £00s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s	Salary (Bands of £5,000) £000s	Taxable Benefits £00s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s
Louise Shepherd	Chief Executive	145-150	85	(20)-(22.5)	125-130	135-140	59	2.5-5	140-145
Jonathan Stephens	Director of Finance	115-120	0	(2.5)-(5)	115-120	95-100	0	10-12.5	105-110
Gill Core	Director of Nursing	95-100	0	(10)-(12.5)	85-90	95-100	0	(62.5)-(65)	35-40
David Alexander	Director of Human Resources	100-105	0	17.5-20	120-125	100-105	0	17.5-20	120-125
Judith Adams	Chief Operating Officer	100-105	0	0	100-105	100-105	0	0	100-105
Professor Ian Lewis	Medical Director	150-155	0	0	150-155	220-225	0	0	220-225
Richard Turnock	Interim Medical Director	110-115	0	(12.5)-(15)	95-100	0	0	0	0
Sir David Henshaw	Chair (R)	40-45	0	0	40-45	40-45	0	0	40-45
Claire Dove	Non-Executive Director (R) (A)	15-20	0	0	15-20	0-5	0	0	0-5
Phil Huggon	Non-Executive Director (R) (A)	10-15	0	0	10-15	10-15	0	0	10-15
Steve Igoe	Non-Executive Director (R) (A)	15-20	0	0	15-20	15-20	0	0	15-20
Ian Quinlan	Non-Executive Director (R) (A)	10-15	0	0	10-15	10-15	0	0	10-15
Jeannie France-Hayhurst	Non-Executive Director (R)	10-15	0	0	10-15	5-10	0	0	5-10

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

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

Richard Turnock was appointed as Interim Medical Director from 1st May 2014.

Taxable benefit for Louise Shepherd relates to a lease car.

The Trust has disclosed negative movements in pension related benefits as zero in accordance with the Department of Health Group Manual for Accounts 2014/15.

Salary and Pension Entitlements of Senior Managers – Pension Entitlements

Name and Title	Real Increase in Pension at Age 60 (Bands of £2,500)	Real Increase in Lump Sum at Aged 60 (Bands of £2,500)	Total Accrued Pension at Age 60 at 31 March 2015 (Bands of £5,000)	Lump Sum at Age 60 Related to Pension at 31 March 2015 (Bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2014	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2015	Employer's Contribution to Stakeholder Pension
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Louise Shepherd Chief Executive	(0)-(2.5)	(0)-(2.5)	45-50	145-150	868	23	891	0
Jonathan Stephens Director of Finance	0-2.5	0-2.5	45-50	140-145	793	34	827	0
Gill Core Director of Nursing	0-2.5	0-2.5	40-45	130-135	833	27	860	0
David Alexander Director of Human Resources	0-2.5	0	0-5	0	35	21	56	0
Richard Turnock Interim Medical Director from 1st May 2014	0-2.5	0-2.5	50-55	150-155	1160	36	1196	0

- As non-executive directors (NEDs) do not receive pensionable remuneration, there will be no entries in respect of pensions for NEDs.
- Professor Ian Lewis does not have accrued pension or CETV as at 31 March 2015 as his pension is in payment.
- Judith Adams opted out of the pension scheme prior to 1 April 2013.
- Normal retirement age is 60 for the above, apart from David Alexander who has a normal retirement age of 65.



Famous first...

Alder Hey was the first to pioneer various splints and appliances, including the famous Thomas Splint.

Six wards at Alder Hey were originally occupied by children with Tuberculosis who were treated with rest in the open air; this meant sleeping in the open air on the balconies, well wrapped up with extra blankets and hot water bottles!

At this time, splints and frames were being introduced to correct deformities. These were all made on site, directed by Sir Robert Jones and assisted by a further orthopaedic surgeon Mr MacMurray.

NHS Foundation Trust Code of Governance

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

Alder Hey Children's NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The arrangements put in place by the Trust in response to the Code are set out in the sections below and elsewhere in this report as appropriate.

Our Council of Governors

2014/15 saw a number of changes on the Council of Governors following the annual elections and in terms of some of the governors appointed by our partner organisations. We continued to strengthen the way in which we work together as two governing bodies, regularly reviewing the format of meetings to ensure there is sufficient interactive discussion to enable the Council to properly fulfil its statutory functions, including the holding to account of the non-executive directors for the performance of the Trust.

The Council has continued to work alongside the Board to understand and contribute to the Trust's plans for the future. The governors' Extranet provides a rapid and accessible mechanism for the Board to share information with them, ensuring that they are kept up to date between formal meetings given the pace of change as preparations for the move to the new hospital gather momentum. It also equips the governors with the information they require to give feedback about the Trust's activities to members and

other stakeholders, including the host organisations of appointed governors. The governors use a variety of mechanisms to canvass the views of members and the wider community; some of these are informal and carried out through individuals' networks and others more formal such as inviting comments via the newsletter and direct engagement at the Annual Members' Meeting. Such views are fed back to the Board throughout the year at regular formal meetings and topic based workshops, for example the annual session held to discuss the Monitor Plan.

The Council met formally seven times during the year, including two topic specific workshops: one relating to the development of the Trust's *Five Year Strategic Plan*; and the other, facilitated by the Trust's external auditors KPMG, on quality governance and governor development. Details of individual attendance are set out below. Executive and non-executive directors attend the Council of Governors' meetings and the Chief Executive reports on the Trust's performance and on key strategic and operational issues and developments. This ensures that the agendas of the two bodies remain closely interlinked and appropriate decisions taken by each in accordance with its Standing Orders.

The 2014 Annual Members' Meeting held in September was well supported by governors, members and our patients and families and provided a valuable opportunity for engagement with the local community and to share our plans for the new hospital more widely; the meeting had a particular focus on technology and innovation with a fascinating keynote speech on 'Technology as Magic' delivered by the Trust's Clinical Lead for Innovation, Mr Iain Hennessey, Consultant Paediatric Surgeon. We did not however hold our customary Open Day this year, as the centenary celebrations included a number of extra special events, including a Garden Party held over two days in July which was aimed at welcoming the whole Alder Hey community into the Trust.

Other significant issues considered by the governors during the year focused upon two key areas: the Trust's response to the CQC inspection report; and progress with plans for moving to the new hospital. In addition, the Council approved an amendment to the Trust's

constitution to increase the number of three year terms that can be served by elected governors from two to three, giving a maximum term of nine years should the candidate be elected on each occasion. The rationale for this change was to secure greater continuity within the governing body at a time of significant change to the organisation.

The governors have also continued to input into a fully inclusive process for the Chair's appraisal and agreement of annual objectives, led by the Senior Independent Director.

In terms of the assessment of its own performance, the Council participated in two pieces of work during the year. The first of these was a survey by KPMG of all governors across its client base. The results of this were fed back at a workshop in November 2014, which led on to the decision to commission MIAA to undertake a bespoke facilitated exercise to assist the governors in assessing their collective understanding of their role and how well they believe they fulfil it and to use the outcome of this to inform a development plan. The latter exercise is ongoing at the time of reporting.

In addition to the full Council meetings, governors have been involved in the Membership Strategy Committee and the Nominations Committee, whose activities are summarised below, as well as time-limited working groups focused on specific issues.

The Membership Strategy Committee continued to take forward its work plan in support of the Membership Strategy, which underwent a comprehensive review by the Committee and was approved by the Council in September. Key activities in the year included:

- Acting as Editorial Board for the members' newsletter, supported by members of the Communications and Marketing Team.
- Public health, with a continued emphasis on smoking issues in families.
- Support for the work of the Fiveways Partnership and in particular the work of the Health Ambassadors at Broadgreen International School.
- Patient experience, through involvement in the consultation on the new hospital interior in local schools.
- Recruiting new members in a variety of locations including the Outpatient Department.
- Planning and organisation of the Annual Members' Meeting in September 2014.
- 'Critical friend' role in reviewing the Annual Report (incorporating the Quality Report).

Its main areas of focus for the coming year are:

- Continue to increase representation among our patient and parent/carer populations.
- Engaging with members and the wider public across a range of key areas of Trust activity:
 - (i) Community participation, focusing on work with local stakeholders on delivering key messages about the new hospital.
 - (ii) Awareness raising and promotion of Alder Hey's services within local schools under the auspices of the Fiveways Partnership.

The Nominations Committee of the Council of Governors appointed one new Non-Executive Director in June 2014. The role of this Committee is vital in maintaining an overview of the skills and expertise required on the Board. Prior to each appointment the Committee has undertaken a review of the requirements for each role, taking into account the views of Board members and in the context of the Trust's strategy in order to sustain a balanced and unitary board equipped to meet the challenges ahead.

Governors are contactable through the Executive Office based at Alder Hey on **0151 252 5092** or by email at membership@alderhey.nhs.uk.

Composition of the Council of Governors

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

The Council of Governors operates under the leadership of the Trust Chair and its endeavours are supported by the Senior Governor, Mrs Kathryn Jackson who was elected to this role in October 2014. The roles and responsibilities of governors are set out in the Trust's Constitution and Council of Governors' Standing Orders.

Governor	Constituency	Class	Term of Office	Council Meetings Eligible to Attend in 2014/15	Total Number of Attendances at Council Meetings
Barbara Murray*	Appointed	Liverpool City Council	n/a	5	4
Murray Dalziel *	Appointed	University of Liverpool	n/a	2	2
Ahmed Elsheikh	Appointed	University of Liverpool	n/a	3	2
Janice Monaghan	Appointed	The Back Up Trust	n/a	5	2
Rod Thomson	Appointed	Shropshire County Council	n/a	5	2
Brenda Roberts	Appointed	Edge Hill University	n/a	3	0
Julie Williams	Appointed	Edge Hill University	n/a	2	1
Colette O'Brien	Appointed	Liverpool City Council	n/a	5	2
Ruth Gould	Patient	Parent and Carer	05.09.11 – 31.08.14	2	0
Georgina Tang	Patient	Parent and Carer	07.10.08 - 31.08.14	2	1
Dawn Holdman	Patient	Parent and Carer	17.09.12 – 16.09.15	5	3
Belinda Shaw	Patient	Parent and Carer	01.08.13 – 31.07-16	5	3
Dot Brannigan	Patient	Parent and Carer	01.08.13 – 31.07-16	5	5
Pippa Hunter-Jones	Patient	Parent and Carer	01.06.14 – 31.05.17	4	4
Claire Blanchard	Patient	Parent and Carer	01.09.14 – 31.08.17	3	2
Alex Young	Patient	Merseyside	05.09.11 – 31.08.14	2	0
Ewan Hutton	Patient	Merseyside	01.05.12 – 30.04.15	5	0
Olivia Cole	Patient	Rest of England and North Wales	17.09.12 – 16.09.15	5	2
Eleanor Brogan	Public	Cheshire	01.06.11 – 31.07.14	2	0
Naomi Grannell	Public	Cheshire	01.06.14 – 31.05.17	4	1
Denise Boyle *	Public	Merseyside	01.08.08 – 31.08.14	2	1
Terry Axon	Public	North Wales	05.09.11 – 31.08.14	2	0
Jonathon McKay	Public	Merseyside	01.09.14 – 31.08.17	3	0
Paul Denny	Public	Merseyside	01.09.14 – 31.08.17	3	2
Norma Gilbert	Public	Merseyside	01.08.10 – 31.07.16	5	5
Gwen Blackmore	Public	Merseyside	17.09.12 – 16.09.15	5	3
Mark Peers	Public	Merseyside	01.08.13 – 31.07-16	5	1
Kathy Hawkins	Public	Rest of England	01.06.14 – 31.05.17	5	3
Kate Jackson	Public	Greater Manchester	01.06.14 – 30.05.17	5	5
Judith Harrison	Public	Cumbria and Lancashire	17.09.12 –16.09.15	5	0
Imogen Billingham	Staff	Doctors and Dentists	11.03.13 – 10.03.16	5	4
Tony Hanmer	Staff	Other Staff	01.08.10 – 31.07.16	5	4
Jeanette Chamberlain*	Staff	Other Staff	01.09.14 – 31.08.17	5	4
Hilary Peel	Staff	Nurses	01.09.14 – 31.08.17	5	5
Jennie Craske	Staff	Nurses	01.06.11 – 31.07.14	2	1
Karen Dean	Staff	Other Clinical Staff	01.08.13 – 31.07.16	5	2
Elizabeth Grady	Staff	Nurses	01.06.14 – 31.05.17	4	2

* Members of the Nominations Committee.

Attendance at Council of Governors by Board Members	Number of Meetings Held in 2014/15
	5
Sir David Henshaw	4
Ian Quinlan	2
Steve Igoe	2
Philip Huggon	2
Anita Marsland	0/3
Claire Dove	0
Jeannie France-Hayhurst	0
Louise Shepherd	5
Jonathon Stephens	5
Jude Adams	5
David Alexander	4
Ian Lewis	0
Rick Turnock	3/4
Gill Core	1
Erica Saunders	5

Declaration of Interests

A copy of the Council's Register of Interests is available on request from Erica Saunders, Director of Corporate Affairs via the Executive Office on 0151 282 4672 or by email at membership@alderhey.nhs.uk

Our Membership

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

Alder Hey has three broad membership constituencies: public, patients and staff. Within these there are different classes, each of which has at least one governor representing them. The wide geographical basis for the public constituencies is derived from the Trust's patient footprint, since we are also a supra-regional centre which means that patients from all over the country (and the world!) are referred to us

for treatment. In addition, a specific class for parents and carers reflects the vital role played by individuals who support and care for our patients. Membership is open to anyone over the age of seven who lives in the electoral wards specified. Once a patient reaches 20 years of age they are required to transfer to the public or parent and carer category (whichever is most applicable).

Membership Strategy

The Trust's Membership Strategy was refreshed again in the year and is led by a committee of the Council of Governors called the Membership Strategy Committee. During 2014/15 the Committee was chaired by one of our public governors, Kate Jackson. The terms of reference of the Committee were approved by the Council of Governors to undertake the following:

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

The objectives of the Membership Strategy are to:

- Ensure that our membership reflects the diversity of the population we serve.
- Provide a range of opportunities for members to be involved at varying levels according to their wishes.
- Set out the communication mechanisms in place for the Trust to communicate with members and for members to communicate with the Trust.
- Set out clearly the support mechanisms which will be in place to enable those members to be elected and appointed onto the Council of Governors, to fulfill their role and to communicate with the wider membership.
- Put into place open and transparent systems to enable members to influence the work of the Trust.
- Define the role of members.

Throughout all our recruitment activities, the Trust will endeavour to ensure that all the communities the Trust serves are given every opportunity to become a member. It is our intention to continue to maintain our membership population at around 13,500 overall but with a focus on recruitment of more children and young people as members in the coming year. This strategy will be carried out in line with the Trust's Quality Strategy and in line with all legislation pertaining to equality and diversity issues.

A number of mechanisms will be used for membership engagement including:

- Regular newsletters
- E-mail bulletins
- Invitations to specific events
- Annual Members' Meeting
- Lay reader scheme for patient information, linked to the Volunteer Scheme
- External consultations
- Trust consultations
- Members' zone on the Trust website
- Participation in elections to the Council of Governors

Membership Profile

Constituency	Number of Members 2014/15 (Actual as at 31st March 2015)	Number of Members 2015/16 (Planned)
Public	3802	3962
Patients	6707	7087
Staff	3078	3118
Total	13587	14167

Our Board of Directors



The Trust's Constitution provides for a Board of Directors which is comprised of no more than seven executive and no more than eight non-executive directors including the Chairman. All Director roles have been occupied during 2014/15 in accordance with the policy developed by the Trust in support of the Constitution. The Trust considers that it operates a balanced, complete and unified Board, with particular emphasis on achieving the optimum balance of appropriate skills and experience; this is reviewed whenever any vacancy arises and was rigorously tested in the year as part of the process to recruit a new Non-Executive Director. Following the introduction in November 2014 by the CQC of the Fit and Proper Persons Requirement, the Board reviewed its current policies and processes and amended the associated documentation. It also introduced an additional proactive declaration in relation to the requirement which was put in place immediately and completed by all directors. The Council of Governors was informed of the Board's response to the regulation.

The Board of Directors operates to clear terms of reference and an annual work plan which underpin the Trust's constitution and which are in turn supported by detailed Standing Financial Instructions and Standing Orders, a scheme of delegation and a Schedule of Matters Reserved for the Board, which are set out in the Trust's Corporate Governance Manual and Constitution. It is the role of the Board to set the organisation's strategic direction in the context of an overall operational planning framework. It is responsible for all key business decisions but delegates the operationalisation of these to an appropriate committee, the Trust's Operational Delivery Board or relevant programme board, in order to receive assurance that the organisation is fulfilling its responsibilities including compliance with standards and targets and the conditions set out in the Trust's Provider Licence.

The Board meets on the first Tuesday of each month, with the exception of August. Board meetings are fully and accurately minuted, including challenges and concerns of individual directors as appropriate. The Chairman meets separately with the non-executive directors directly before each meeting. All Board meetings are held in public; dates, times and agendas are published on the Trust's website prior to meetings and the papers posted shortly after. The Board's agenda is structured around the Care Quality Commission's five key questions: Are we safe? Are we effective? Are we caring? Are we responsive to patients' needs? Are we well-led? Each meeting begins with a patient story which is designed to ensure that patients remain at the centre of all discussions and decisions. At each meeting, the Board receives a corporate performance report which describes in detail how the organisation has performed against key local and national metrics, as well as a Quality Report which focuses on progress against the Trust's Quality Aims. Accompanying the performance information is the Board Assurance Framework which demonstrates to the Board how the principal risks to the organisation's business are being controlled and mitigated.

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

- Clinical Quality Assurance Committee
- Resources and Business Development Committee
- Audit Committee
- Workforce and Organisational Development Committee
- Remuneration and Nominations Committee

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

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

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

- In writing, care of the Executive Office, Alder Hey Children's NHS Foundation Trust, Eaton Road, Liverpool, L12 2AP.
- By telephone on **0151 252 5128**.
- By email at membership@alderhey.nhs.uk

Independence of Non-Executive Directors

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

Board Performance

Each member of the Board of Directors undergoes an annual appraisal to review his or her performance against agreed objectives, personal skills and competencies and progress against personal development plans. During 2014/15 the Trust's appraisal process was updated to include an assessment of how individuals have performed in relation to the Trust's values of Excellence, Openness, Respect, Innovation and Togetherness. Non-executive director assessments and that of the Chief Executive are undertaken by the Chair of the Trust and executive director performance is assessed by the Chief Executive. The appraisal of the Chair includes input from all Board members and the Council of Governors, led by the Senior Independent Director.

Composition of the Board

Chair and Chief Executive

Sir David Henshaw – Chair

Sir David took up post as Chair of Alder Hey in February 2011; he was re-appointed in January 2014 for a second term of three years. Among his many achievements, Sir David was responsible for the review of the child support system in the UK in 2007. He was also involved in the Prime Minister's Delivery Unit Capability Review programme of central government departments. Alongside his valuable experience within the health arena, including as Chair of NHS North West for four years, Sir David has worked extensively in local government. He spent ten years at Knowsley Borough Council before being appointed as Chief Executive of Liverpool City Council, a role which he occupied for seven years. Today, Merseyside residents see and are

enjoying the benefits from many of the regeneration initiatives his team brought to the region, including securing the award of European Capital of Culture in 2008. Alongside his role at Alder Hey, Sir David has also been and is also a Chair and Non-Executive Director for a number of other public and private organisations. In February 2012 Sir David was asked by Monitor to take on the role of Interim Chair at University Hospitals of Morecambe Bay NHS Foundation Trust. This lasted until April 2013. In October 2013, Sir David was asked by Monitor to again take on an Interim Chair role at Dorset Healthcare NHS Foundation Trust which he undertook until April 2014.

Louise Shepherd – Chief Executive

Louise joined Alder Hey in March 2008 from Liverpool Women's Hospital where as Chief Executive she led it to foundation trust status in 2005, the first in Merseyside to achieve this. Formerly Deputy Chief Executive and Finance Director at the Countess of Chester NHS Trust for five and a half years, Louise first joined the health service in 1993 as Director of Business Development at Birmingham Heartlands and Solihull NHS Trust. A Cambridge University graduate in 1985, Louise trained as an accountant in local government before spending four years with KPMG as a financial and management consultant to the public sector. Louise is very active in Liverpool outside of the health service; she was previously Vice Chair of the Royal Liverpool Philharmonic Society and continues to be an active member.

Executive Directors

Professor Ian Lewis – Medical Director

Ian joined Alder Hey as Medical Director in March 2011, having previously trained at Alder Hey between 1978 and 1985. He was a Consultant Paediatric Oncologist in Leeds from 1985 where he had additionally undertaken a number of senior leadership roles including Deputy Medical Director and Associate Medical Director for Children's Strategy for NHS Yorkshire and Humber. He has a number of national roles and responsibilities. He is a member of both the Department of Health Payment by Results Clinical Advisory Group; and the National Clinical Advisory Team. In January 2012, Ian was appointed as co-Chair of the National Children and Young People's Healthcare Outcomes Forum with the remit to advise the Secretary of State about how to improve healthcare outcomes for children and young people. Ian remains active in clinical research, particularly clinical trials and health services research and he has a national and international reputation within paediatric and adolescent Oncology. He is currently leading a European Work Package aimed at developing

an expert Teenage and Young Adult Oncology network throughout Europe. Ian is also a trustee of medical charities related to his clinical work and of his local rugby club.

Rick Turnock – Interim Medical Director (From May 2014)

Rick was appointed as Interim Medical Director in May 2014, the role being made substantive upon Professor Lewis' retirement in April 2015. Having trained as a Paediatric Surgeon at Alder Hey and Great Ormond Street, he was appointed as a Consultant Paediatric Surgeon at Alder Hey in 1993. Shortly after this appointment, he took on the role as Clinical Director of Surgery for five years, moving to his first period as the Trust Executive Medical Director in 2000 for three years. He then fulfilled a series of external roles including Honorary Secretary of the British Association of Paediatric Surgeons (BAPS), the first Head of the Cheshire and Merseyside Deanery Postgraduate School of Surgery and latterly as President of BAPS (2012-14), in which role he sat on the Council of the Royal College of Surgeons of England (RCSEng). He was an Examiner for the FRCS in Paediatric Surgery for ten years and is now an Examiner Assessor. He has been the RCSEng Regional Specialty Adviser for Paediatric Surgery in the North West for the last five years.

Jonathan Stephens – Director of Finance and Deputy Chief Executive

Jonathan took up post in June 2013; he has over twenty years' experience working within the NHS, operating at a senior level in most sectors of the health service, including community care services, specialist teaching hospitals, Strategic Health Authority and acute district hospitals. He has operated at Executive Director level for the past nine years and since 2009 undertaken the role of Deputy Chief Executive. Jonathan has a proven track record of delivering key financial targets year on year and leading and developing financial strategy within challenging health economies. He has led two trusts to foundation status (Tameside Hospital and Warrington and Halton Hospitals), taken a £100m PFI hospital development to financial close and supported all of the organisations he has worked for in delivering improvements to patient care and patient outcomes.

Gill Core – Chief Nurse

Gill joined Alder Hey as Director of Nursing in July 2012. Gill became a nurse in 1981 and spent a number of years in clinical roles in intensive care and surgical specialties. Since her first managerial role as Head of Quality in Norfolk in the 1990's, she has gained increasing experience in quality improvement and

nursing leadership. She came to Alder Hey following seven years in Director of Nursing roles at Liverpool Women's NHS Foundation Trust and most recently at St Helens and Knowsley NHS Trust, where she gained experience in leading the nursing workforce in transition from an old Victorian hospital into a brand new facility. Gill has maintained and developed strong educational links and currently participates in delivering the MSc in Leadership Development at Edge Hill University. Along with a variety of clinical qualifications she has an MA and post graduate teaching certificate.

David Alexander – Director of Human Resources and Organisational Development

David joined Alder Hey as Director of Human Resources and Organisational Development in August 2012 from Thomas Cook Airlines where he had been HR Director for eight years. David graduated from the University of Leeds with a BSc in Applied Zoology in 1985 and gained his postgraduate qualification in HR Management from Bristol Business School in 1987. David started his HR Career with the Cooperative Wholesale Society as a graduate trainee. He then moved to P&O Ferrymasters as HR and Training Manager before joining Servisair where he spent nine years, the last five years in the role of UK HR Director. David joined Thomas Cook Airlines in 2004 and managed the merger with MYTravel Airways in 2007/8. David's HR career has put him in organisations where constant change in a unionised, regulated environment has been the norm. David is an experienced HR Director who has operated at Board level for 13 years.

Judith Adams – Chief Operating Officer

Jude joined Alder Hey as Chief Operating Officer in March 2011 and has over 25 years working in the health service. Jude trained as a nurse and has clinical experience working in specialist and University Teaching trusts, both in and outside of London as well as overseas. She moved into healthcare management in 2002 when she applied through the Department of Health for a national advisory role in the Heart Choice programme and worked with the Picker Institute in evaluating patient choice. Jude has held a senior post at the Royal Liverpool and Broadgreen NHS Trust as Divisional Nurse Director for Surgical Services and later becoming Divisional General Manager for this Division. Prior to her role at Alder Hey, Jude was the Director of Operations and Programme Director at Salford Royal NHS Foundation Trust where she led the Trust on a £48m Cost Improvement Plan over three years, as well as leading significant transformation across a number of clinical services. Jude has masters level training in clinical practice and is nearing completion of her MSc in Healthcare Management.

Erica Saunders – Director of Corporate Affairs (Non-Voting)

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

David Powell – Development Director (Non-Voting)

David joined Alder Hey as Development Director in December 2012 and has over 30 years' experience working in the NHS. Prior to his role at Alder Hey, David held Development Director posts in Bristol and London overseeing new hospital programmes. David has a history degree from Manchester University and is a qualified accountant.

Non-Executive Directors

Steve Igoe – Non Executive Director and Chair of the Audit Committee/Senior Independent Director

Steve joined the Alder Hey Board in October 2010 and was re-appointed by the Council of Governors in September 2013 for a further three years. He is the Deputy Vice-Chancellor at Edge Hill University and a Chartered Accountant by training. Prior to working for Edge Hill, he worked for Coopers and Lybrand Deloitte a predecessor firm of Price Waterhouse Coopers as a Senior Manager in their North West offices. In his current role he has Board responsibility for Finance, IT, HR, Infrastructure and Estate Developments, Facilities Management, Learning Services, strategic planning and the University's international activities. He has previously advised the Government on the regulation of the Higher Education sector and was an adviser to the Higher Education Funding Council for England (HEFCE) Board on leadership, governance and management and costing systems within higher education. Steve has been a Governor of a large acute NHS trust, a Trustee

of a charity specialising in respiratory education and an executive and founding Director of a substantial IT network company. Steve is the Chair of the Trust's Audit Committee and is the Senior Independent Director.

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

Ian joined the Alder Hey Board in September 2011 and was re-appointed for a second term of three years in September 2014. He is a Chartered Accountant and joined Ernst and Whinney (now Ernst and Young) in 1974 and in 1982 became a partner. In 1988 he became Group Finance Director of the Albert Fisher Group PLC, a leading global food processor and distributor. From 2003 to 2013, Ian held senior positions with VPS Holdings Limited, which is the largest void property services company in the world. Between 2003 and the beginning of 2011 he was Group Chief Executive, during which time the turnover of the business increased from £3m to £200m. Between January 2011 and October 2013 he was a Director of the business, responsible for acquisitions. Ian is now a Financial Consultant and assists the owners of private companies to prepare their companies for sale.

Phillip Huggon – Non-Executive Director

Philip joined the Alder Hey Board in March 2010; he was re-appointed for a term of two years in March 2014. He has several non-executive and trustee roles in the private and public sector, with a particular focus on marketing and business development. His board roles include Seafish, a non-departmental public body set up to promote the fishing industry, the Business Continuity Institute, Sports Leaders UK, the English Table-Tennis Association and he also chairs RCU, an education consultancy. His background is mostly marketing, strategy and change management gained from 20 years' experience with Shell, MARS and BP, both in the UK and overseas.

Jeannie France-Hayhurst – Non-Executive Director

Jeannie took up her role at Alder Hey in July 2013. She is a highly-regarded family law barrister with wide experience of the voluntary sector, politics and the commercial world. She is known throughout the wider community in the North West as a fearless advocate and is much sought after on the seminar/lecturing circuit. Jeannie has made time in her busy career for voluntary and charitable work and has extensive experience of dealing with vulnerable adults and the socially disadvantaged. She has significant experience of service on boards and committees at both local and national level.

Claire Dove – Non-Executive Director and Chair of the Workforce and Organisational Development Committee

Claire joined the Alder Hey Board in October 2013. She is a high impact leader of social change. She brings a track record of success from a variety of non-executive, executive and community leadership roles; shaping policy and practice in the business, social enterprise and charity worlds. Renowned in Merseyside, known nationally and internationally, Claire's work in education, regeneration, anti-poverty, equality and fairness arenas positions her as an independent thinker, experienced practitioner and trusted adviser to many. She was awarded an OBE for services to education in 2012. Claire's achievements cross many decades, fields and roles. Having built the award winning Blackburne House Group (BHG) over the last 30 years, her attention is now moving towards growing a portfolio of roles to complement her work at BHG.

Anita Marsland – Non-Executive Director and Chair of the Clinical Quality Assurance Committee (From July 2014)

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

Declaration of Interests

A copy of the Register of Interests is available by request from Erica Saunders, Director of Corporate Affairs via the Executive Office on **0151 252 5128** or by email at membership@alderhey.nhs.uk

Attendance at Board of Directors and Board Committee Meetings

	Board	Audit Committee	Clinical Quality Assurance Committee	Resources and Business Development Committee
No of Meetings Held 2014/15	11	5	11	10
Sir David Henshaw	10	not a member	not a member	not a member
Louise Shepherd	11	not a member	9	9
Ian Quinlan	10	not a member	not a member	10
Steve Igoe	9	4	7	not a member
Claire Dove	6	3/3	not a member	7
Anita Marsland	6/7	2/2	8/8	not a member
Jonathan Stephens	11	4 (attendee)	3/4	10
David Alexander	11	not a member	9	8
Jeannie France-Hayhurst	9	3	7/9	not a member
Judith Adams	9	not a member	3/4	10
Gill Core	9	not a member	8	not a member
Phillip Huggon	10	3	9	5
Erica Saunders	11 (attendee)	5 (attendee)	9 (attendee)	9 (attendee)
Professor Ian Lewis	1	not a member	0	not a member
Rick Turnock	7/10	not a member	5	not a member
Professor Ian Greer	0 (attendee)	-	-	-
David Powell	10 (attendee)	not a member	not a member	not a member
Hilary Berg	9 (attendee)	not a member	not a member	2 (attendee)

Audit Committee Report

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

The aim of the Audit Committee is to provide one of the key means by which the Board of Directors ensures effective internal control arrangements are in place. In addition, the Committee provides a form of independent check upon the executive arm of the Board. As defined within the NHS Audit Committee Handbook (2014), the Committee has responsibilities for the review of governance, risk management and internal control covering both clinical and non-clinical areas. In discharging these duties the Committee is required to review:

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

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

Internal Audit

The Internal Audit service is provided by Mersey Internal Audit Agency (MIAA), an independent NHS organisation. The Director of Audit Opinion and Annual Report for 2014/15 reports that MIAA have

demonstrated their compliance with NHS mandatory Internal Audit Standards. Internal Audit provides an independent and objective appraisal service embracing two key areas:

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

External Audit

The provision of External Audit services is delivered by KPMG, who were re-appointed by the Council of Governors in September 2013 for a further two year period, having successfully demonstrated their performance against the terms of their initial three year engagement in a report that was submitted to a formal Council meeting by the Audit Committee Chair, Director of Finance and Director of Corporate Affairs. The Council of Governors granted a further extension of tenure by a period of 12 months in March 2015, in order to minimize disruption ahead of the move to the new hospital. The service will be re-tendered in 2016. The work of External Audit can be divided into two broad headings:

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

The Committee has approved an External Audit Plan and receives regular updates on the progress of work including audit work undertaken on the Quality Account.

The external audit fees for 2014/15 were £65,045 excluding VAT.

During the latter part of 2013/14, KPMG undertook one piece of non-audit work for the Trust, a review of how the organisation has progressed with implementing Monitor's Quality Governance Framework. The fee for this work was £25,000; this cost was recognised in 2014/15. A follow up review was undertaken in the final quarter of 2014/15, the fee for which was £4,995 exclusive of VAT. In 2014/15 KPMG also assisted the Trust in its IT Network Infrastructure Tender and Procurement exercise, the fee for which was £32,000 excluding VAT.

The Audit Committee members have had regular opportunities to meet in private with internal audit and external audit during the year.

Five meetings were held during the financial year 2014/15 of which one, in May, was devoted to consideration of the auditors' report on the Annual Accounts and ISA 260. The Committee has an annual work plan with meetings timed to consider and act on specific issues within that plan.

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

- The monthly Board Assurance Framework report.
- Internal Audit reports in accordance with the approved 2014/15 work plan.
- Counter Fraud reports by the MIAA specialist in accordance with the approved 2014/15 work plan.

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

- Annual Governance Statement.
- Consideration of the 2013/14 Annual Accounts.
- Monitor quarterly returns and feedback letters.
- External Assurance Report on the Quality Account.
- External Audit Report on the financial statements to 31st March 2014 and ISA 260.
- Losses and special payments.
- Counter Fraud reports by the MIAA specialist in accordance with the approved 2014/15 work plan.
- Report on conflicts of interest and compliance with Trust policy.
- Reports on progress against the Risk Management Improvement Plan.
- Approval of the Treasury Management Policy.
- Internal Audit work plan for 2014/15.
- External Audit strategy relating to the Audit of the Trust's 2013/14 Accounts.
- Financial Statement audit risks for 2014/15.
- Accounting policies for the 2014/15 Financial Statements.
- Audit Committee work plan 2014/15.
- Review and approval of the terms of reference for the Audit Committee.
- Annual Reports of the Trust's assurance committees, including Clinical Quality Assurance Committee.

Scrutiny of the management of the financial and operational risks to the organisation is the responsibility of the Resources and Business Development Committee. However, the Audit Committee maintains a

regular overview of these key risks via its consideration of the Board Assurance Framework which details the controls in place to mitigate them, any gaps in assurance and the action being taken to address them. The Board Assurance Framework is reviewed on a monthly basis by the Board as a whole and is also used by the Resources and Business Development Committee to inform its standing agenda items. In this way the cycle of control is maintained between the various elements of the governance framework.

The Audit Committee considered the financial statements audit risks, including the areas where the Trust has applied judgement in the treatment of revenues and costs to ensure that annual accounts represented a true position of the Trust's finances. The External Audit Plan 2014/15 highlighted one significant audit risk in relation to income recognition and associated fraud risk and one significant transaction risk in relation to management override of controls.

The Committee discussed the approach taken by the Trust in relation to income recognition. The Trust has robust processes in place which ensure that income is actively monitored and debtors are followed up on a timely basis. The Trust also acknowledges that there is no specific risk in relation to fraudulent income recognition.

The Committee also discussed the significant transaction risk in relation to management override of controls and is satisfied that there are no issues arising from the work of internal audit that would suggest that this could lead to a material misstatement within the accounts.

The Audit Committee contributed to the risk assessment to inform and subsequently approved the content of the Internal Audit Plan for 2014/15. This plan was structured to provide the Director of Audit Opinion which gives an assessment of the:

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

The key conclusion from their work for 2014/15 as provided in the Director of Audit Opinion and Annual Report was that 'Significant Assurance' was given; that

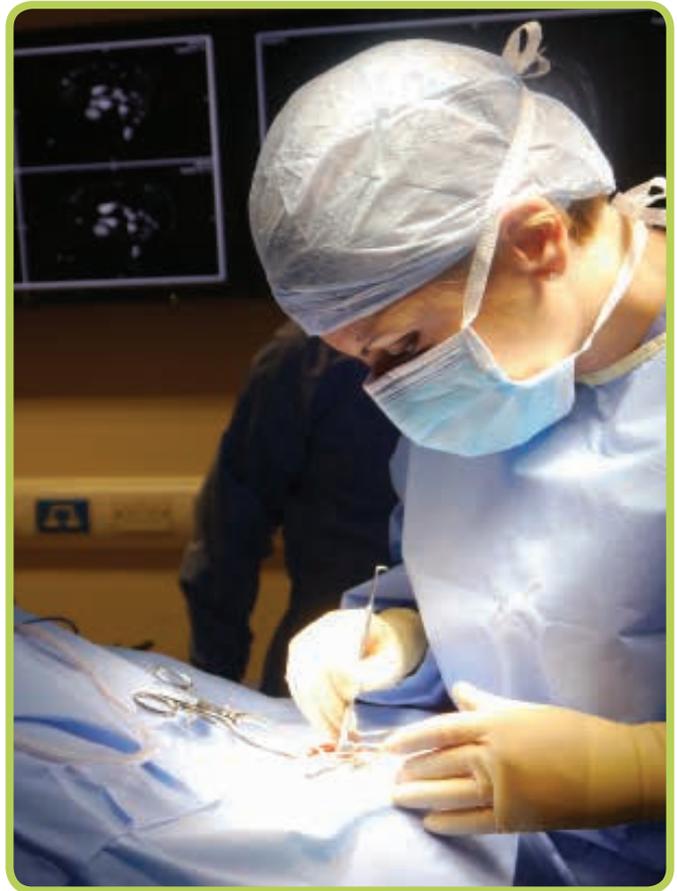
there were generally sound systems of internal control to meet the organisation's objectives; and that controls are generally being applied consistently. However, there are some weaknesses in the design or inconsistent application of controls which could put the achievement of a particular objective at risk. Action plans to remedy any residual weaknesses in a timely manner are agreed with managers and monitored by both MIAA and the Committee.

Nominations Committees

The Trust has established separate nominations committees to oversee the appointment of executive and non-executive directors.

- The **Nominations Committee of the Council of Governors** is responsible for the appointment and removal of non-executive directors. It is chaired by the Trust Chair, apart from when it is concerned with the appointment or re-appointment of the Trust Chair. Other members of the Committee are Professor Murray Dalziel (to July 2014), Jeanette Chamberlain, Denise Boyle (January to August 2014), Barbara Murray (from September 2014), Kate Jackson (from October 2014) and Louise Shepherd. During 2014/15 the Committee was responsible for the recruitment of one new Non-Executive Director, Anita Marsland. The recommendation of the Committee as to the suitability of the preferred candidate was made to the Council of Governors, which approved the new appointment for an initial period of three years. The Committee retained the services of a specialist recruitment agency, Gatenby Sanderson for this appointment.

- The **Appointments and Remuneration Committee of the Board of Directors** is responsible for the appointment of executive directors. It is chaired by the Trust Chair; other members are a minimum of three other non-executives and the Chief Executive, as appropriate to the post under consideration. The Committee was not required to make any substantive appointments during 2014/15.





In the early part of the 20th century, infection was rife. There were no isolation facilities and the consequence was often death or severe and permanent handicap.

Post-operative infection was rife as a result of poor standards of hygiene, surgical skills, sterility and aftercare.

By 1925, Alder Hey had increased its doctors by appointing three medical officers, 4 visiting surgeons and a Dermatologist.

In 1929, control of Alder Hey became the responsibility of Liverpool City Council and it was known as the Municipal Hospital for Sick Children. The hospital was no longer restricted by the 'Poor Law' so began to grow, widening its catchment area to include children from all over Liverpool and the surrounding areas. The hospital's structure and facilities were radically upgraded.

Quality Report

‘Quality: Celebrating 100 Years of Dedication to Children and Young People’

Part 1: Statement on Quality From Louise Shepherd, Chief Executive

Many of the events marking Alder Hey’s centenary year in 2014 highlighted the Trust’s rich heritage of ground-breaking clinical developments and medical ‘firsts’ that have contributed to the hospital’s reputation for excellence and high quality services over many years. The UK’s first Neonatal Unit was founded at Alder Hey, the most common congenital heart defect cured here thanks to the pioneering work of Mr Edwards and specialist techniques in paediatric anaesthesia developed by Dr Jackson Rees form the basis of modern practice. Today, we are a national centre for children with cancer, craniofacial, heart, spinal and brain disease and are proud of our thriving research portfolio and host the UK Medicines for Children Research Network.

Yet such endeavours would not be possible without a fundamental commitment by our staff to providing the best possible care for every patient. This promise remains at the core of our Quality Strategy and 2014/15 has seen the development of a range of initiatives that will help us deliver this ultimate goal. The Weekly Meeting of Harm provides a dynamic forum in which staff come together to highlight and learn from patient safety incidents, changing practice along the way in an open and supportive culture. Our Quality Review Programme has helped us engage with individual clinical services, understand their issues and find sustainable solutions. The continued focus on our Quality Aims, agreed at the start of 2013, has been a vehicle for putting our collective will and effort in to measurable improvement in areas that will make a difference to our patients.

In this report last year I talked about quality improvement as a journey; in the past twelve months we have moved closer to where we need to be, whilst recognising that there is still some way to go. Our new hospital will undoubtedly play a key role in this, providing an environment that will facilitate the highest standards of clinical safety and a much improved experience for our patients that forms part of the therapeutic process, supported by state of the art technology. We will also see major benefits from the investments we have made during the past year, for example, the significant increase in our nursing workforce and the creation of new consultant posts within our High Dependency Unit. Our new Director of Infection Prevention and Control has led the vanguard of improvement practices to combat infections, which will continue to be a key focus in 2015/16. Underpinning all of this we have implemented a *Risk Management Improvement Plan* which has been crucial in making sure our governance arrangements are robust and fit for purpose.

None of this improvement would have been possible without the commitment and dedication of our staff and strong leadership from our senior team, our clinical directors, lead nurses and service group leads. As Chief Executive I am confident that the information set out in the following report is accurate and a fair reflection of the key issues and priorities that clinical teams have developed within their services. The Board remains fully committed to supporting those teams in every way they can, to continuously improve care for our children and young people.

Part 2: Priorities For Improvement and Statements of Assurance From the Board

2.1 Priorities For Improvement

Progress made in 2014/15 and previous years against quality improvement priorities identified in last year's Quality Report are set out in the sections below.

2.1.2 Priorities For Improvement 2015/16

The Alder Hey Quality Strategy utilises the definition of 'Quality' as set out in the Darzi Report, High Quality Care for All (2008) with its three main elements of patient safety, clinical effectiveness and patient experience. The purpose of the strategy is to ensure that we capture the "essence" of quality and translate this effectively by bringing together national policy, strategic direction and regulatory, financial and governance requirements with our stated imperative of providing safe, effective and world class healthcare for each and every child for whom we care, within a culture of openness and continual improvement.

Children, young people and their families are at the centre of this strategy. The Trust Board in consultation with staff, patients, governors, Healthwatch organisations and commissioners has identified key priorities for improvement which have been derived from national and regional priorities, the Trust's performance against quality and safety indicators, risk trend analyses, patient and public feedback and the need to move safely into the new Alder Hey in the Park. The Trust has agreed the following four key priorities for improvement in 2015/16:

1. To ensure a safe move to the new Alder Hey in the Park.
2. To reduce harm to patients from a medication error.
3. To reduce harm to patients as a result of the development of a pressure ulcer.
4. To increase children, young people and their parents/carers involvement in patient safety.

The Board will monitor progress against these priority areas through the Clinical Quality Assurance Committee. Progress will be reported to commissioners through Clinical Performance and Quality Group meetings, which are attended by Healthwatch representatives and to patients and carers through a series of engagement events. The Trust continues to develop the skills of the workforce to deliver quality improvements, through the utilisation of a variety of improvement methodologies.

2.2 Statements of Assurance From the Board

2.2.1 Review of Services

During 2014/15 Alder Hey has provided 27 NHS services. Alder Hey has reviewed all the data available to them on the quality of care in all of these services. The income generated by the NHS services reviewed in 2014/15 represents 100% of the total income generated from the provision of NHS services by Alder Hey for 2014/15.

2.2.2 Participation in Clinical Audits and National Confidential Enquiries

Clinical Audit is a key aspect of assuring and developing effective clinical pathways and outcomes.

National Clinical Audits are either funded by the Health Care Quality Improvement Partnership (HQIP) through the National Clinical Audit and Patient Outcomes Programme (NCAPOP) or funded through other means. Priorities for the NCAPOP are set by the Department of Health with advice from the National Clinical Audit Advisory Group (NCAAG).

During the reporting period 1st April 2014 to 31st March 2015, 12 National Clinical Audits and 1 National Confidential Enquiry covered NHS services that Alder Hey Children's NHS Foundation Trust provides.

During that period Alder Hey participated in 100% National Clinical Audits and 100% National Confidential Enquiries of the National Clinical Audits and National Confidential Enquiries which it was eligible to participate in.

The National Clinical Audits and National Confidential Enquiries that Alder Hey was eligible to participate in during the reporting period 1st April 2014 to 31st March 2015 are contained in the table on page 66.

The National Clinical Audits and National Confidential Enquiries that Alder Hey Children's NHS Foundation Trust participated in and for which data collection was completed during the reporting period 1st April 2014 to 31st March 2015, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.



Participation in National Clinical Audits and National Confidential Enquiries During 2014/15

Audit	Participation	% Cases Submitted
Children		
<u>Childhood Epilepsy (RCPH National Childhood Epilepsy Audit)</u>	Yes	Submitted 13 cases, which was 34% of cases available. In total there were 38 cases included in the audit.
<u>Paediatric Intensive Care (PICANet)</u>	Yes	Submitted 1,100 records, which was 100% of cases available.
<u>Potential Donor Audit (NHS Blood and Transplant)</u>	Yes	Submitted 55 cases, which was 100% of cases available.
<u>Initial Management of the Fitting Child (College of Emergency Medicine)</u>	Yes	Submitted 50 cases, which was 100% of cases available.
Acute Care		
<u>Severe Trauma (Trauma Audit and Research Network)</u>	Yes	Submitted 214 cases, which was 100% of cases available.
Cardiac		
<u>Cardiac Arrest (National Cardiac Arrest Audit)</u>	Yes	Submitted 15 cases, which was 100% of cases available.
<u>Paediatric Cardiac Surgery (National Institute for Cardiovascular Outcomes Research (NICOR) Congenital Heart Disease Audit)</u>	Yes	Submitted 467 cases, which was 100% of cases available for the period 01/04/2014 -30/11/2014. Data for 01/12/2014 - 31/03/2015 will be submitted by 04/05/2015.
<u>Cardiac Arrhythmia (Cardiac Rhythm Management (CRM))</u>	Yes	Submitted 14 cases which was 100% required for the audit sample.
Long Term Conditions		
<u>Ulcerative Colitis and Crohn's Disease (National IBD Audit) Biologics</u>	Yes	Submitted 43 cases, which was 100% of cases available.
<u>Paediatric Diabetes (RCPH National Paediatric Diabetes Audit)</u>	Yes	Submitted 1,324 records, which was 100% of cases available.
<u>Renal Replacement Therapy (UK Renal Registry)</u>	Yes	Submitted 43 cases, which was 100% of cases available.
<u>2014 Audit of Transfusion in Children and Adults With Sickle Cell Disease (National Comparative Audit of Blood Transfusion)</u>	Yes	Submitted five cases, which was 100% of cases available. Data cleaning and analysis begins in April 2015. The audit report and slideshow will be issued in July 2015.
National Confidential Enquiries		
<u>Confidential Enquiry into Major Burns in Children (CEMBIC)</u>	Yes	1 case pending which was 100% of cases available.

2.2.3 Actions Arising From National Clinical Audits

The reports of 12 National Clinical Audits were reviewed by the provider in the reporting period April 1st 2014 to March 31st 2015 and Alder Hey Children's NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Actions Taken/To Be Taken As a Result of National Clinical Audits in 2014/15

National Clinical Audit	Actions
Childhood Epilepsy (RCPH National Childhood Epilepsy Audit)	<p>The national audit report was reviewed and discussed with the Epilepsy Team in March 2015.</p> <p>The Epilepsy 12 Audit has highlighted that improvements are required in the domains of Appropriate 1st Clinical Assessment and ECG requesting, which may actually reflect poor documentation, as opposed to not necessarily including these factors. One suggestion is to formulate a database to include all Epilepsy patients with their diagnosis and investigations documented, plus a proforma to be used during initial assessment of patients with suspected Epilepsy and those newly diagnosed to ensure all factors are included and clearly documented.</p> <p>The hospital is currently implementing a new IT system (Meditech 6) which the Trust believe has within it facilities for clinicians to document all details (e.g. seizure type, syndrome, frequency, duration, medication, investigations, safety advice etc) for patients with Epilepsy. We are therefore awaiting implementation of this service in the coming months to establish whether this can be used as both our database and to record details obtained in the initial assessment. The implementation of the proposed Patient Passport may also help achieve some of these issues.</p> <p>Other results highlighted were only 67% of patients were referred for input by an Epilepsy Nurse Specialist. It is anticipated that this will increase by including 'referral' in the initial assessment criteria when a diagnosis is made and with the newly appointed additional part-time Epilepsy Nurse Specialist.</p> <p>Consideration is also being given to the appointment of a further General Paediatrician with an interest in Epilepsy.</p>
Paediatric Intensive Care (PICANet)	The national audit report was reviewed and discussed on the Paediatric Intensive Care Unit (PICU). The quality of the PICANET data set is consistently commended.
Potential Donor Audit (NHS Blood and Transplant)	We are 100% compliant with the audit standards.
Initial Management of the Fitting Child (College of Emergency Medicine)	The audit was presented locally at the Alder Hey Emergency Department Audit Meeting in February 2015. The national and site specific reports for the Fitting Child Audit will be ready late spring or early summer 2015.
Moderate or Severe Asthma in Children (Care Provided in Emergency Departments) (College of Emergency Medicine)	<p>The audit was presented at the Alder Hey Emergency Department Audit Meeting in March 2014.</p> <p>Action/Recommendation</p> <p>1. Blood Pressure (BP); Only 2% of patients had BPs done. Actions for this have been to reinforce to medical and nursing staff that BP's must be done in these children. This has been announced at our three times a day Safety Huddles attended by all staff members (medical and nursing). The documentation of BPs has been audited on a monthly basis, the results are displayed on staff noticeboards and there has been a noticeable improvement. There are plans for this to be formally re-audited in the future.</p> <p>2. 20% of patients received a beta-2 agonist/ipratropium within 10 minutes of arrival. Sick children who need a nebuliser straight away will be identified by the Triage Nurse and brought through to the relevant area (obs/majors) and a doctor informed that they need to be reviewed immediately. Appropriate therapy will then be prescribed by the clinician if required. The nursing staff at triage cannot prescribe Beta 2 agonists, therefore these patients are not going to be able to get this treatment from triage unless a doctor is there to assess and prescribe. There are plans for changes to the existing methods of triage in terms of a Rapid Assessment Team (RAT) which is currently being piloted and will be implemented in the new hospital which should improve this as there will be a senior clinician at triage to assess and prescribe.</p>
Severe Trauma	Data completeness and data quality are both over 95%.

National Clinical Audit Actions

Severe Trauma (Trauma Audit and Research Network)	<p>Alder Hey serves as a Major Trauma Centre for children from Cheshire and Merseyside, Lancashire and South Cumbria, North Wales and the Isle of Man. TARN data is the primary data source that supports the clinical governance of the Major Trauma Service within Alder Hey and across the North West Children's Major Trauma Network.</p> <p>2014/2015 has been a year in which the recently implemented regionalised system has been consolidated. An understanding of patient flows within the system, aided by the TARN data, has ensured that the Major Trauma Centres can engage with the Trauma Units to improve compliance with the Trauma pathway.</p> <p>The data completeness measure has improved and data accreditation has remained high for Alder Hey, indicating that the information is reliable and providing confidence that discussions and decisions are based on an accurate representation of the trauma service. The data has provided evidence of the effectiveness of the trauma system resulting in a positive National Major Trauma Peer Review, and has shown compliance with CQUIN targets for complex lower limb injuries.</p>
Cardiac Arrest (National Cardiac Arrest Audit)	The national audit report was discussed at the Trust Resuscitation Committee. No action plan was required as achieving above the audit standards.
Paediatric Cardiac Surgery (NICOR Congenital Heart Disease Audit)	The National Audit Congenital Heart Disease Audit was carried out on 24 June 2014. The audit report showed that the Trust achieved a Data Quality Indicator of 94.75%. An action plan was not required as meeting the audit standards.
National Cardiac Rhythm Management Audit (NICOR)	The national audit report was reviewed and Alder Hey is meeting the audit standards.
Ulcerative Colitis and Crohn's Disease (National IBD Audit) Inpatient Care and Inpatient Experience	<p>The national audit report was reviewed by the IBD service group and team meeting in 2015. A comprehensive action plan has been developed to take forward the following recommendations:</p> <ul style="list-style-type: none"> • Clinical Nurse Specialists and Trainees to ensure use of Paediatric Ulcerative Colitis Activity Index (PUCAI) score at all points of clinical interaction, including daily scoring for inpatients. • Lead Consultant to develop a treatment pathway that is readily available for using IV steroids in treatment of Ulcerative Colitis. • Adoption of faecal calprotectin or other biomarker to aid assessment of disease activity in outpatients. • To develop a Standard Operating Procedure for collecting standard stool samples and Clostridium Difficile toxin testing in conjunction with Infectious Diseases Team. • Ensure all Ulcerative Colitis patients have a nutritional assessment on admission with appropriate dieticians. • Develop a steroid sparing registry on the new hospital information system for all patients on steroids for longer than three months. • Evaluate the eligibility of Ulcerative Colitis patients for enrollment in new therapies. • Develop a transfer protocol for investigating anaemia. • Continue with Biologics component of the National Audit.
Diabetes (RCPH National Paediatric Diabetes Audit)	Individualised Reports for the 2013-14 data are still to be published by the Royal College of Paediatrics and Child Health.
Renal Replacement Therapy (UK Renal Registry)	The Renal Registry National Audit report was reviewed. No action plan required as meeting the audit standards.

Actions Taken/To Be Taken As a Result of Local Clinical Audits in 2014/15

There were a total of 160 local audits registered in the reporting period 1st April 2014 to 31st March 2015. There are 40 (28%) local audits completed. There are 106 (73%) audits that will continue in 2015/16. There are 2 audits not yet started and 12 audits have been cancelled (7%).

The reports of the completed local clinical audits were reviewed by the provider in the reporting period April 1st 2014 to March 31st 2015 and examples of the outcomes are listed below.

Local Audit	Actions
Audit of NICE Quality Standards for Depression in Children and Young People	<p>The audit was presented at the Child and Adolescent Mental Health Service (CAMHS) Departmental Meeting in December 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Aim for 100% documentation of diagnosis and risk assessment; cascaded throughout team. • All patients diagnosed with depression should be given age appropriate information about diagnosis and this should be documented in notes; cascaded throughout team. • Consent to treatment should be recorded in all cases; cascaded throughout the team. • Risk management, including discussion around appropriate place of safety if indicated, should be documented for all patients when risk is identified; cascaded throughout team. • Re-audit in six months.
Intravenous Potassium Chloride and Potassium Phosphate Policy: Audit of Adherence to Medicines Management Code Section 49.1 (MMC.49.1)	<p>This audit was undertaken to determine compliance with the Medicines Management Code related to the storage of concentrated potassium injections. The findings of the audit showed that all concentrated potassium injections were ordered, stored and documented correctly.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • To review and amend MMC 49.1 to include all concentrated potassium injections stocked. • To review and amend MMC 49.1 to reflect the appropriate locations which can stock concentrated potassium injections, following discussions with appropriate clinical leads. • To ensure staff are aware that these preparations must not be transferred between clinical areas. All supplies should be made directly from the Pharmacy Department or from the Pharmacy Night Room in out of hours situations. • To review other related policies and guidelines and ensure this information is included in those documents.
Acute Surgical Necrotising Enterocolitis (NEC): Retrospective Review From PICU Database	<p>The audit was presented at The Paediatric Critical and Intensive Care world congress in Istanbul in June 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Results concur with published literature. • No change in practice. Should be reviewed if there is reorganisation of services or after next five years.
Is There a Difference in Outcomes Between Stoma Closures in Patients Born Prematurely Compared to Patients Born at Term?	<p>The audit was presented at the Department of Paediatric Surgery Audit Meeting in July 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Write up audit as a paper for publication for further peer review. • No re-audit specified as there are few patients who can be included per year.

Local Audit	Actions
AHP (Allied Health Professionals) Audit on JSLE (Juvenile Onset Systemic Lupus Erythematosus) Services	<p>The audit was presented at the British Society for Paediatric and Adolescent Rheumatology (BSPAR) Annual Conference, Leeds in June 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • To write AHP guidelines for treatment of patients with JSLE. • To survey parent group to see if their needs are being met. • Develop referral guidelines that could be used in clinic to help trigger referrals to AHP's.
Non Accidental Injury: Compliance With National Guidelines (Royal College of Radiology/Royal College of Paediatrics and Child Health 2008)	<p>Audit to be presented at the next Clinical Governance Meeting for Radiology. Audit report and action plan awaited.</p>
Audit on Children With ASD (Autistic Spectrum Disorder) Diagnosis Referred to Single Point Access Team	<p>The audit was presented at the Child and Adolescent Mental Health Service (CAMHS) audit meeting in July 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Recommendation is that subsequent audits should collect data over a longer period. • Recommendation is that CAMHS should emphasise the use of the appropriate referral forms as much as possible as well as utilising additional clinical information from the referral letters. • A suggestion from the auditor is that subsequent audits could follow up referrals to find out outcomes of assessment.
Medical Record Keeping in Alder Hey Surgical Wards.	<p>The audit was presented at the Department of Paediatric Surgery audit meeting in May 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • All staff to ensure the Royal College of Physicians (RCP) medical record keeping standards are met when documenting in patient notes.
Operating Theatre Vascular Access Snapshot	<p>The audit was presented at the Alder Hey Anaesthetic Department update meeting in August 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • The audit recommended future studies, specifically addressing the indications, duration and complication rate of peripherally inserted central catheters (PICC). • Re-audit in twelve months.
Myositis and Myopathy Magnetic Resonance Imaging (MRI). Is Gadolinium Required?	<p>The audit was presented at the Alder Hey Radiology Audit Meeting in June 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Alter the use of gadolinium in myositis and myopathy MRI imaging. • Re-audit in twelve months.
Analysis of Magnesium Administration Around Children's Cardiac Bypass Surgery	<p>The audit was presented at the Alder Hey Anaesthetic Department Update Meeting in February 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • No changes to practice were recommended due to the satisfactory effect of the dose of magnesium used during cardiac surgery. • No re-audit required.

Local Audit

Actions

An Audit of Use of Promethazine in Children for Sleeping Difficulties in St Helens	<p>The audit was presented at the Alder Hey Community Paediatrics Department Meeting in January 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none">• The Promethazine Guideline will be included in the department global sleep guideline and future guidelines already in development for sleeping difficulties.• Promethazine should not be used as a first line drug for sleeping difficulties in children.• A re-audit is not required because this medication will not be used as a first line drug for sleeping difficulties in children.
Assessing the Compliance with NICE Guidelines on the Management of Hepatitis B	<p>The audit was presented at the Department of Paediatric Surgery Audit Meeting in August 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none">• E-letter published online in Archives of Disease in Childhood in September 2014.• Consider the development of a proforma to ensure all appropriate investigations are undertaken at diagnosis.• To liaise with local laboratories and GP's.• To initiate discussion at a local level to create local guidelines for monitoring Hepatitis B in children, implementing recommendations from both national guidelines.• Re-audit in twelve months.
Clinical Record Keeping Audit (Royal College of Physicians Standards)	<p>The audit was presented at the Audiology Department Audit Meeting in February 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none">• To raise awareness on importance and benefits of proper documentation and filing.• A re-audit depends on the progress with change-over to paperless electronic record.
Surgical Scars in Idiopathic Scoliosis - Evaluation of Current Technique	<p>The audit was presented at the Alder Hey Orthopaedic Departmental Audit Meeting in October 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none">• No re-audit recommended as the current practice is safe.
Serial Casting in the Management of Early Onset Scoliosis	<p>The audit was presented at the Department of Paediatric Surgery Audit Meeting in July 2014.</p> <p>An abstract was submitted to The British Scoliosis Society (BSS) Annual Meeting in October 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none">• Current NICE guidance recognises that serial casting 'rarely corrects Scoliosis' but recommends it may be used 'to allow growth before a more permanent treatment is offered'.• In our experience, serial casting did not allow any patients with a progressive Scoliosis (determined by a Rib Vertebral Angle Difference (RVAD) of greater than 20°), to reach a single definitive fusion.• However serial casting appeared to halt to curve progression until the child was suitable for the insertion of a growing rod system.• No re-audit is required.

Local Audit	Actions
Community Upper Limb Splinting (Pilot)	<p>The audit was a six month pilot study presented by the Occupational Therapy Team at a departmental audit meeting in January 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Funding has been applied for and accepted based on the numbers of children referred to clinic. • Analyses of the pilot audit data is currently on-going. • Re-audit in twelve months.
Equipment Guidelines Compliance	<p>The audit was presented at the Alder Hey Physiotherapy Departmental Meeting in January 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • An assistant from each team is to be responsible for the equipment checks in homes, nurseries and mainstream schools. • Providers are to be advised that equipment needs to be serviced in accordance with manufacturers instructions. • Guidelines are to be produced following a review of the evidence. • Purchasers are to be informed of servicing recommendations and manufacturers guidelines. • Re-audit in twelve months.
NICE Urinary Tract Infection (UTI) Guidelines in the Emergency Department	<p>The audit was presented at the Alder Hey Emergency Departmental Audit Meeting in September 2014.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • To implement a UTI discharge sheet or sticker before discharging/referring. • To include blood pressure on the discharge sheet with a prompt to respond if deranged. • Ensure a clinician is scheduled to check the confirmed UTI list and make any necessary changes or arrangements at least twice a week by including it on the weekly rota. • A sticker or discharge sheet could be used to help complete a re-audit. This could also include a review of time delay between diagnosis, a review of the completed laboratory culture and a change of antibiotics if required.
Audit Against NICE Guidelines and NICE Quality Standard for Meningitis	<p>The audit was presented at the General Paediatrics Departmental Audit Meeting in March 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Repeat the important messages about many aspects of the management of Meningococcal Septicemia and Bacterial Meningitis for each rotation of junior staff. • All children who are diagnosed with Meningitis should be referred routinely to the Audiology Department for hearing assessment after recovery. This referral should be clearly documented on the discharge letter. • Display copies of the Trust's guidelines for the management of Meningitis in each ward. • Recommend memory cards for main points of management of Meningitis. • Re-audit recommended.
A Re-Audit of the Rectal Suction Biopsy Sampling - Have We Improved Over the Last Two Years?	<p>The audit was presented at the Department of Paediatric Surgery Audit Meeting in December 2014.</p> <p>The aim of the planned re-audit was clarified, i.e. investigating the cause of inadequate samples and training needs.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • To develop an e-learning module for rectal suction biopsy training. • Re-audit in twelve months.

Local Audit	Actions
Lateral Humerus Condylar Fractures	<p>The audit was presented at the Alder Hey Orthopaedic Departmental Mortality and Morbidity meeting in March 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • To continue with current practice. The audit results supported current clinical practice. • Re-audit in two years.
Elbow Fractures	<p>The audit was presented at the Alder Hey Orthopaedic Departmental Mortality and Morbidity meeting in January 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • To continue with the current treatment protocol. • Re-audit in twelve months to review infection rate due to discrepancy between this and interim audit results.
Review of Patients With Suspected and Documented Helicobacter Pylori (H pylori) Colonisation on CLO Test (Campylobacter-Like Organism)	<p>The audit was discussed at a departmental meeting with the consultant supervisor in October 2014. Due to time constraints there was no formal presentation.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • To take into account the most common presenting complaints and associated conditions, as well as common endoscopic findings when diagnosing H.pylori. • Re-audit in twelve months.
Do Patients Arrive on the Ward Post-Op With Necessary Antibiotics Already Prescribed? A Clinical Audit	<p>The audit findings were discussed with the audit supervisor. This was a snap shot of prescribing practice over 4-6 weeks. The evidence was not strong enough to warrant changes to practice at this stage.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • The audit recommends surgeons should record the antibiotic on the prescription chart. • Re-audit in six months.
Effect of Infliximab on Growth in Children with Crohn's Disease	<p>The audit was presented at the Alder Hey Inflammatory Bowel Diseases Governance Meeting in February 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Height and weight assessment should be carried out in all inpatients and outpatients. • Pubertal staging/assessment is crucial in children with chronic disorders to identify early growth and pubertal problems. • Early and aggressive treatment in Crohn's Disease is recommended to maximise the growth potential. • Consider discussion with the Endocrine Team as delayed puberty is common. • A larger prospective study confined to the paediatric age range is required. • Re-audit in twelve months.
An Audit of the Diagnosis and Management of Septic Arthritis in Children at Alder Hey Children's Hospital	<p>The audit was presented at a Multidisciplinary Team Meeting with the microbiologist in January 2015.</p> <p>Action/Recommendation</p> <ul style="list-style-type: none"> • Improve investigations - Blood culture, Erythrocyte Sedimentation Rate (ESR). All children with suspected Septic Arthritis should have blood cultures taken before commencing antibiotics). • The white cell count, ESR and C-Reactive Protein (CRP) should be requested at presentation and at an appropriate interval. • To improve adherence to the Trust antibiotic guidelines. The empirical therapy should adhere to Alder Hey Antibiotic Guidelines for Septic Arthritis and Osteomyelitis. • Develop an Alder Hey Clinical Guideline and Proforma for Septic Arthritis and Osteomyelitis in Children. • Re-audit in twelve months.

Local Audit

Actions

Retrospective Audit of Periorbital Cellulitis Cases

The audit was presented at the Alder Hey Emergency Department audit meeting in February 2015.

Action/Recommendation

- The audit revealed there was poor prescription of topical chloramphenicol in those noted to have Conjunctivitis. We feel that the pathway is clear so we will be re-educating the team.
- Guidance on discharging patients home on oral antibiotics rather than admission on IV antibiotics. This is a consultant only decision. We feel, however, that evidence is lacking and further studies are needed.
- Improve follow-up for those discharged home which is not always formally done. Discharge on oral antibiotics is a consultant only decision and follow-up is mandatory.
- Clear option in the guidelines for penicillin allergic patients. We will discuss with Microbiology on a case-by-case basis.

Medium and Long Term Effects on Glycaemic Control of Continuous Insulin Infusion Therapy in Children and Adolescents Receiving Diabetes Care at Alder Hey

The audit was presented at the Diabetes Multidisciplinary Team Meeting in March 2015.

Action/Recommendation

- No changes to current practice were required as the pump manufacturer does not appear to have any influence on HbA1c (glycated haemoglobin) outcomes.

A Retrospective Audit of the Use of Ultra-Violet Light in the Treatment of Paediatric Skin Conditions

The audit was presented at the Dermatology Regional meeting at Broadgreen Hospital Trust in January 2015. 100% compliance with the Department of Dermatology phototherapy guidelines from The Royal Gwent Hospital, Cardiff.

100% compliance with local guidelines for managing Erythema and starting doses and escalation of phototherapy.

Action/Recommendation

- Consider a patient and parent satisfaction survey of their experience in the Dermatology Department.
- No change in practice as we have 100% compliance with the guidelines.
- Re-audit of practice in five years.

The Impact of Ketamin List on Management Load of Upper Limb Injuries

The audit was presented at the Orthopaedic Departmental Mortality and Morbidity meeting in February 2015.

Action/Recommendation

- We do not recommend a Ketamin list in our practice and we should treat patients under general anaesthetics in theatre.

Audit of BOAST 7 - Fracture Clinic Services British Orthopaedic Association Standards for Trauma (BOAST)

The audit was presented at the Alder Hey Orthopaedic Departmental Mortality and Morbidity meeting in November 2014.

Action/Recommendation

- No changes were recommended as the fracture clinic service meets the British Orthopaedic Association National Standards.

The Use of Mycophenolate Mofetil (MMF) Treatment in Renal Transplantation in Children and Adolescents at Alder Hey

The audit was presented at the Renal Multidisciplinary Team Meeting in November 2014.

Action/Recommendation

- The audit did not indicate that we needed to reconsider our transplant immunosuppression.
- To monitor other potential side effects that were not captured in this dataset.
- Extend follow up as the number of patients followed up for a long period was small.
- Re-audit in two to four years.

Local Audit

Actions

Is Urine Dip Accurate at Predicting Urinary Tract Infection (UTI) in Children Age 6 Months - 3 Years?

The audit was presented at the Alder Hey Emergency Departmental Audit Meeting in February 2015.

Action/Recommendation

- Urine microscopy and culture is preferred as per NICE guidance. We will continue to use microscopy and culture i.e. no change.
- Prescribe Cefalexin for three days. Antibiotic guidelines have been updated and will be published.
- Use of a checklist from a previous UTI audit. UTI sheet to be completed by clinicians.

Bleeding Complications After Circumcision

The audit is to be submitted to The British Association of Urological Surgeons (BAUS) annual meeting in June 2015.

Action/Recommendation

- The risk of post-operative bleeding should be reflected during pre-operative counselling.
- No re-audit needed as the learning point is a fact that will not change.

Incidence of Critical Cardiac Events In Post-Op Cardiac Surgical Patients on Paediatric Intensive Care Unit (PICU)

The audit was designed to quantify exactly what our critical cardiac event rate was.

Action/Recommendation

- The audit was not designed to change practice. It was a baseline audit. There are no major issues. We are following the guidelines.
- Re-audit in twelve months.

CT Head Examination in Children With Soft Tissue Evidence of Head Injury

The audit was presented at the Radiology Departmental Audit Meeting in March 2015.

Action/Recommendation

- No changes recommended as current practice is in line with national guidelines.

An Audit Into the Practice of Chemotherapy Ototoxicity Monitoring in Paediatric Audiology

The audit was presented at the Audiology Departmental Audit Meeting in March 2015.

Action/Recommendation

- To design a dedicated and streamlined referral pathway from Oncology.
- Procuring vestibular diagnostics and high frequency Audiometry.
- To create a common database.
- Recommend counselling and management of ototoxicity including any rescue plan.
- Re-audit in two years.

An Audit of NICE Clinical Guideline 158 and Quality Standard 59 Antisocial Behaviour and Conduct Disorders in Children and Young People

Statement 5 of the NICE Quality Standard recommends children and young people aged 11 to 17 years who have a conduct disorder are offered a referral for multimodal interventions, with the involvement of their parents or carers. This service is not currently offered at Alder Hey CAMHS, although there is good evidence of working with other agencies.

We can therefore be reliably assured of compliance with NICE Quality Standard 59 and Clinical Guideline 158, except for this intervention.

Action/Recommendation

- Re-audit in two years.

2.2.4. Participation in Clinical Research

The number of patients receiving NHS services provided or subcontracted by Alder Hey Children's NHS Foundation Trust (Alder Hey) in 2014/15 that were recruited to participate in NIHR Portfolio adopted clinical research was 1,682.

All research is governed by the EU Clinical Trial Directive, UK Ethics Committees and the Trusts R&D Office who carry out governance checks to provide organisational permission.

International Research and Education is one of the Trust's four strategic pillars of excellence. Furthermore, the Alder Hey/University of Liverpool integrated ten year Research Strategy states that "Every child (should be) offered the opportunity to participate in a research study/clinical trial". The Trust is a member of Liverpool Health Partners (LHP), a consortium of seven hospitals, the University of Liverpool and the Liverpool School of Tropical Medicine working together to provide a world class environment for research and health education. As a significant stakeholder in LHP, Alder Hey demonstrates a strong commitment to contributing

to evidence-based, cutting edge healthcare aimed at improving quality of care, while holding patient safety, dignity and respect at the centre of everything we do. Being an organisation undertaking high quality patient-centred research means that Alder Hey contributes to the health and wealth of Liverpool and the UK as a whole, as well as having an international impact on treatments developed for children. The infrastructure of expertise available at Alder Hey for setting up and successfully delivering clinical research are led and managed by a dedicated team who form the Clinical Research Business Unit (CRBU).

Our clinical staff and associated academics lead and contribute to studies of the latest and new treatment options, genetic profiling of diseases and research looking at drug safety including adverse drug reactions (side effects).

Alder Hey was involved in recruiting patients to 1,682 open, NIHR portfolio adopted clinical research studies during 2014/15. While some studies report outcomes fairly quickly, most will not be ready for publication for a few years. Many involved research in the area of Medical Specialties, reflecting the prevalence of available research studies in these specialties locally and nationally.



01/04/2012 to 31/03/2013 (Q1, Q2, Q3 & Q4 Excluding Mar 2015)

	NIHR Studies	Number of Participants	Non-NIHR Studies	Number of Participants
SG1 (Oncology, Haematology, Palliative Care)	25	247	8	32
SG2 (Nephrology, Rheumatology, Gastro, Endocrinology, Dietetics)	39	148	10	80
SG3 (Respiratory, Infectious Diseases, Allergy, Immunology, Metabolic Diseases)	23	284	9	2
SG4 (A&E, Gen Paeds, Diabetes, Dermatology, CFS/ME)	6	51	1	0
SG5 (CAMHS Tier 3 and 4, Psychological Services and Dewi Jones)	3	14	2	141
SG6 (Community Child Health, Safeguarding, Social Work Dept., Comm Clinics, Neurodisability Education, Fostering, Adoption, Audiology)	1	1305	3	14
SG7 (PICU, HDU, Burns)	3	5	6	40
SG8 (Theatres, Day Case Unit, Anaesthetics Pain Control)	2	3	2	10
SG9 (Gen Surgery, Urology, Gynae, Neonatal)	9	113	2	11
SG10 (Cardiology, Cardiac Surgery)	2	1	0	0
SG11 (Orthopaedics, Plastics)	2	3	2	0
SG12 (Neurology, Neurosurgery, Craniofacial, LTV)	18	144	5	0
SG13 (Specialist Surgery, ENT, CL&P, Ophthalmology, Maxillofacial, Dentistry, Orthodontics)	3	52	7	202
SS1 (Radiology)	1	27	3	5
SS2 (Pathology)	0	0	0	0
SS3 (Pharmacy)	1	261	1	0
SS4 (Therapies, EBME, Central Admissions, Bed Management, Medical Records, Generic Outpatients)	0	0	0	0
NON-CBU	1	0	0	0
CNRU	0	0	2	0
RBU	0	0	0	0
Non Classified	0	0	3	150
TOTAL	139	2658	66	687

The Quality Report deals with research activity during the 2014/15 period. In addition to this, the CRBU published performance data on the Trust website indicating the time it takes to set up and study and the time taken to recruit the first patient once all permissions have been granted. Alder Hey performs well in this respect. Furthermore, 80% of studies conducted at Alder Hey recruit the agreed number of patients within a set time and to agreed targets.

In September 2012 Alder Hey opened a National Institute for Health Research Clinical Research Facility (CRF). This was a capital project supported with investment from the Trust and is a clinical area utilised purely for research patients, providing a dedicated research environment. This resource helps facilitate research by providing a bespoke location for research on a day to day basis and has successfully been used to care for research participants overnight who need regular intervention or tests on a 24 hour basis. One of the many advantages of having a fully operational CRF is that it will enable investigators to not only undertake later phase research studies but also to undertake more complex and earlier phase studies (experimental medicine types of activity) dealing with developing new cutting edge medicines and technologies which are often lacking in children's healthcare. The CRF will lead to improvement in patient health outcomes in Alder Hey, demonstrating a clear commitment to clinical research which will result in better treatments for patients.

There were over 350 members of clinical staff participating in research approved by a Research Ethics Committee at Alder Hey during 2014/15. These included consultants, nurse specialists, scientists, clinical support staff and research nurses from across all Clinical Business Units.

Over the past four years the Trust has witnessed a growth in commercially sponsored studies. There are currently 32 commercial studies open to recruitment and much focus on the use of novel monoclonal antibodies (mAbS) or disease modifiers. These interventions have been used primarily in Rheumatology and Oncology but are becoming available in other sub-specialties such as Respiratory Medicine and Diabetes. They work by acting on the immune system to overcome the cause of the disease rather than treating the symptoms. Significant quality of life improvements have been witnessed, particularly in Rheumatology patients treated with mAbS, leading to increased mobility and a reduction in pain and inflammation. These drugs are now being licensed for use in children for the first time ever.

Several patients at Alder Hey have been the first global recruits into some studies and as such this bodes well as it demonstrates Alder Hey's commitment to supporting the speedy set up of clinical trials with the support of the Trust R&D office and the NIHR Medicines for Children Local Research Network. The Trust has an established critical mass of research activity in Pharmacology, Oncology, Rheumatology, Infectious Diseases, Respiratory, Endocrinology/ Diabetes, Critical Care and Neurosciences but is witnessing a growth in research activity in Gastroenterology, Nephrology, Emergency Medicine and Community Paediatrics.

For more information on the research portfolio at Alder Hey please visit: www.alderhey.nhs.uk/research

2.2.5. Use of the Commissioning for Quality and Innovation Framework (CQUIN) Payment Framework

A proportion of Alder Hey's income in 2014/15 was conditional upon achieving quality improvement and innovation (CQUIN) goals agreed between Alder Hey and any person or body entered into a contract, agreement or arrangement for the provision of NHS services, through the Commissioning for CQUIN Payment Framework. During 2014/15, these commissioning bodies consisted of Liverpool CCG and consortia North West CCG partners for non-specialist services and Cheshire, Wirral and Warrington Area Team (on behalf of NHS England) for specialist services.

For 2014/15 the baseline value of CQUIN was £3.2m which was 2.5% of the CCG's total contract value and 2.4% of the specialist services contract. This means that if Alder Hey did not achieve an agreed quality goal, a percentage of the total CQUIN money would be withheld. For 2014/15 Alder Hey has agreed with commissioners that the Trust will receive 100% of the CQUIN allocation.

Local Commissioner CQUINs 2013-14

Domain	Indicator	Indicator Description	Target	Weighting	Financial Value	End of Year Performance
Safety, Clinical Effectiveness and Patient Experience	Paediatric Safety Scan	Develop a Paediatric Safety Prevalence Tool	Develop and Audit Monthly	0.125%	£61,000	Fully Achieved
Safety, Clinical Effectiveness and Patient Experience	Improving Patient Experience	Develop a Befriending Service	Submit Reports	0.2%	£97,000	Fully Achieved
Safety, Clinical Effectiveness, Patient Experience and Innovation	Improving Youth Mental Health and Learning Disability Services	Continue to Improve Transitions From CAMHS to Adult Mental Health and LD Services	Submit Reports	0.5%	£243,000	Fully Achieved
Safety, Clinical Effectiveness, Patient Experience and Innovation	Unplanned Admissions: Reduction in Unnecessary Use of A&E	Telephone Advice Line	Participation and Evaluation	0.125%	£243,000	Fully Achieved
		Social Marketing	Participation and Evaluation	0.125%		
		A&E Discharge Communication	Submit Reports	0.125%		
		Primary Care Presence in A&E	Participation and Evaluation	0.125%		
Safety, Clinical Effectiveness and Patient Experience	Communication: Inpatients	98% Discharge Summaries to be Electronically Constructed Integrated TTO's and Contains the Recommended MDS	98%	0.1%	£243,000	Partially Achieved
		95% Discharge Summaries to be Sent From All Ward Areas to General Practice Within 24 Hours	95%			
		95% Patients to Receive a Copy of Their Discharge Summary on Day of Discharge	95%			

Domain	Indicator	Indicator Description	Target	Weighting	Financial Value	End of Year Performance
Safety, Clinical Effectiveness and Patient Experience	Communication: Outpatients	98% Outpatient Correspondence to be Electronically Constructed, Integrated TTO's and Contains the Recommended Minimum Data Set	98%	0.1%		
		95% Outpatient Correspondence to be Sent From All Outpatient Services to General Practice within Two Weeks of Patients Appointments	95%			
Safety, Clinical Effectiveness and Patient Experience	Communication: Day Cases and A&E	95% A&E Correspondence to be Sent to General Practice Within 24 Hours Subject to agreed Roll Out Plan	95%	0.1%		
		95% Day Case Correspondence From K1 – Surgical to be Sent to General Practice Within 24 Hours	95%			
		Submission of Implementation Plan to Roll Out Electronic Discharge Correspondence Across Further Day Cases	Submit Plans			
Safety, Clinical Effectiveness and Patient Experience	Communication: Business Continuity Planning	Trust to Develop Business Continuity Plans For All Electronic Systems With Particular Emphasis on Paperless or Paper-Light Processes When Sending Electronic Discharges	Submit Plans	0.066%		
Safety, Clinical Effectiveness and Patient Experience	Communication: Systems Interoperability	Trust to Create a Coherent Plan Around Their Requirements and Strategy For Clinical Data Sharing With Primary Care	Submit Plans	0.066%		
	Communication: ILINKS Transformation Programme	Named IM&T Lead, Attend Monthly CQUIN Meetings With An Assigned Informatics Merseyside Representative, Participate in ILINKS Transformation Programme and Clinical Informatics Advisory Group	Participation	0.066%		

Domain	Indicator	Indicator Description	Target	Weighting	Financial Value	End of Year Performance
Safety, Clinical Effectiveness, Patient Experience and Innovation	Improving the Transition From Children and Young People Services to Adult Services	Database Established and Maintained. Details Provided As Evidence – Total Number of Patients on Database	Submit Reports	0.125%	£243,000	Fully Achieved
		Trust to Continue With Training Programme. Trust to Provide Data on the Total Number of Staff Trained During This Period	Submit Reports	0.125%		
		Trust to Provide Details of the Total Number of 14 Year Olds With a Transition Plan	Submit Reports	0.125%		
		Trust to Provide Details of the Total Number of 14 Year Old With a Lead Professional Identified	Submit Reports	0.125%		
Safety, Clinical Effectiveness and Patient Experience	Infection Prevention	Reduction in Infections	Submit Reports	0.175%	£86,000	Fully Achieved

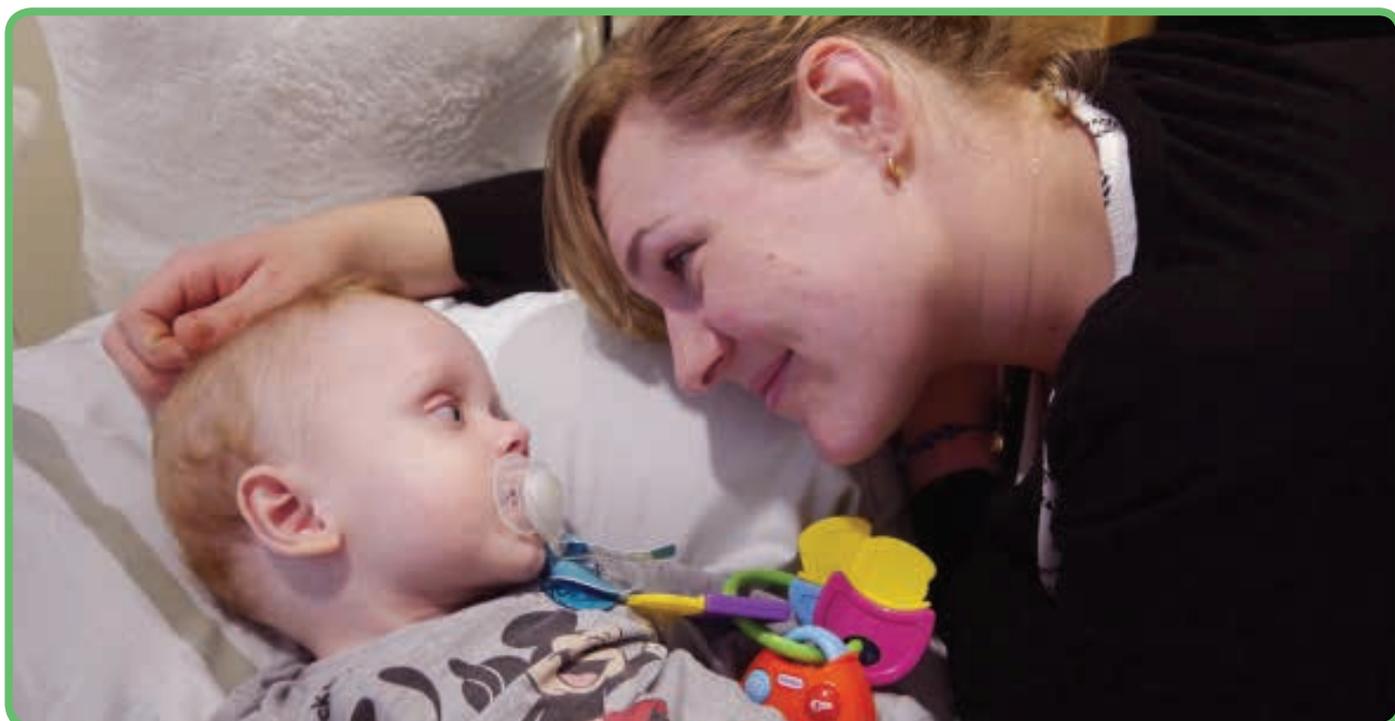


North West Specialised Commissioning Team CQUINs

Domain	Indicator	Indicator Description	Target	Weighting	Financial Value	End of Year Performance
Clinical Effectiveness, Safety and Innovation	Haemophilia: Joint Scoring	Joint Score in Severe and Moderate Haemophilia A and B (Patients Aged Over 4 Years of Age)	50%	0.16%	£130,487	Fully Achieved
Safety, Clinical Effectiveness and Patient Experience	Embedded Pharmacist		Fill Post	0.16%	£130,487	Fully Achieved
Safety, Clinical Effectiveness and Patient Experience	Acute CAMHS - Review of Unplanned Admissions		Review	0.16%	£130,487	Fully Achieved
Clinical Effectiveness, Safety and Innovation	Craniofacial - Participate in National Audit Forum		Participation	0.16%	£130,487	Fully Achieved
Clinical Effectiveness, Safety and Innovation	Craniofacial - Analyse Headspace Results: Six Monthly Report		Submit Report	0.16%	£130,487	Fully Achieved
Clinical Effectiveness, Safety and Innovation	Standardise Children's Cancer MDT's		Submit Report	0.16%	£130,487	Fully Achieved
Dashboards						
		Cleft Lip and Palette	Submit Data	0.16%	£130,487	Fully Achieved
		Specialised Haemoglobinopathy	Submit Data	0.16%	£130,487	Fully Achieved
		Paediatric Medicine - Rheumatology	Submit Data	0.16%	£130,487	Data Books Not Finished, Submission Not Required Yet
		Complex spinal surgery	Submit Data	0.16%	£130,487	Data Books Not Finished, Submission Not Required Yet

Domain	Indicator	Indicator Description	Target	Weighting	Financial Value	End of Year Performance
Local CQUINs						
Safety, Clinical Effectiveness and Patient Experience	Paediatric Safety Scan		Develop and Audit Monthly	0.16%	£130,487	Fully Achieved
Safety, Clinical Effectiveness and Patient Experience	Patient Experience - Befriending Service		Submit Reports	0.16%	£130,487	Fully Achieved
Safety, Clinical Effectiveness and Patient Experience	Reduction in Infections		Submit Reports	0.16%	£130,487	Fully Achieved
Safety, Clinical Effectiveness, Patient Experience and Innovation	Review of Transition Processes		Submit Reports	0.16%	£130,487	Fully Achieved
Safety, Clinical Effectiveness and Patient Experience	Communication - Discharge Letters		Submit Reports	0.16%	£130,487	Partially Achieved

Further details of the agreed goals for 2014/15 and for the following 12 month period are available online at: http://www.monitornhsft.gov.uk/sites/all/modules/fckeditor/plugins/ktbrowser/_openTKFile.php?id=3275



2.2.6 Statements From the Care Quality Commission (CQC)

Alder Hey is required to register with the Care Quality Commission and its current registration status is registered with no conditions.

The Care Quality Commission has not taken any enforcement action against Alder Hey during 2014/15.

Alder Hey has not participated in any special reviews or investigations by the CQC during the reporting period.

The Trust was subject to a planned routine inspection 21st-22nd May 2014. The overall rating was 'Requires Improvement' with ratings of individual domains as follows:

Safe	Requires Improvement
Effective	Good
Caring	Good
Responsive	Requires Improvement
Well led	Requires Improvement

Specific service ratings were:

Neonatal Services	Good
Transitional Services	Requires Improvement
A&E	Good
Medical Care	Good
Surgery	Good
Intensive/Critical Care	Requires Improvement
End of Life Care	Outstanding
Outpatients	Requires Improvement

There is a comprehensive action plan in place to address areas for improvement. The plan is on target and will be fully delivered in 2015/16.

Alder Hey is registered for the regulated activity of assessment and medical treatment for persons detained under the Mental Health Act 1983. The regulated activity covers the Alder Hey hospital site and the Dewi Jones Unit on the Alder Park site in Waterloo. The Dewi Jones Unit is a nationally commissioned children's mental health inpatient unit and provides Tier 4 assessment and treatment. No patients were detained at the Dewi Jones Unit during the year.

2.2.7 Information on Data Quality

2.2.7.1 Data Quality

Alder Hey submitted records during 2014/15 to the Secondary Users service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included;

- The patient's valid NHS Number was 99.72% for admitted patient care; 99.59% for outpatient care; and 99.39% for accident and emergency care.
- The patient's valid General Medical Registration Code was 95.64% for admitted patient care; 92% for outpatient care; and 100% for accident and emergency care.

Alder Hey will be implementing a new Electronic Patient Care System in May 2015. As part of this, much work has been conducted into the quality of data on our clinical systems, including but not limited to:

- Data Migration; as part of the data migration process we have conducted thorough validation of existing data.
- SOPs; the Trust has reviewed and updated all Standard Operating Procedures in relation to clinical systems. We have also ensured that they include the validation of patient data and the running of regular data quality reports.
- Data Quality Group; various task and finish groups have been set up where changes in business processes are required, either due to the new EPCS or the way we will work in the new hospital. This also includes the accurate recording of patient data. Following the implementation of EPCS and our move to the new hospital, a new Trust Clinical Data Quality Group will be formed with representation from these groups. The newly formed group will report to the Information Governance Steering Group.

There has been a full review of dictionaries held on our Clinical Information System to ensure selection of correct codes is clear to users, these dictionaries will continue to be monitored.

Regular monitoring reports regarding outpatient clinic templates will continue to be run to ensure correct clinician lead. This is a direct outcome from the IG Toolkit report for outpatient Consultant codes.

Regular audits were undertaken on our Patient Administration System. These are to be extended to all clinical systems within the Trust.

2.2.7.2 Information Governance Toolkit Attainment Levels

Alder Hey Children’s NHS Foundation Trust Information Governance Assessment Report overall score for 2014/15 was 83% and was graded as satisfactory (green).

error rates reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) were:

- Primary Diagnoses Incorrect 7%.
- Secondary Diagnoses Incorrect 19%.
- Primary Procedures Incorrect 7 %.
- Secondary Procedures Incorrect 11%.

2.2.7.3 Clinical Coding Error Rate

Alder Hey Children’s NHS Foundation Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the

The results should not be extrapolated further than the actual sample audited and the services audited during this period included:

- 200 random finished consultant episodes.

Part 3: An Overview of Quality of Care

In order to ensure that we provide the best quality services to everyone who is part of the Alder Hey community, we recognise that we must continue to stretch ourselves and set goals that we can measure in order to demonstrate that we truly put quality at the heart of everything we do. In 2014/15, in consultation with our staff, governors and patients we agreed that further improvements should be made in relation to the Quality Strategy developmental Quality Aims within the ‘domains’ of patient safety, clinical effectiveness and patient experience.

This section of the Quality Account provides an overview of the progress made against the 2014/15 priorities, which were:

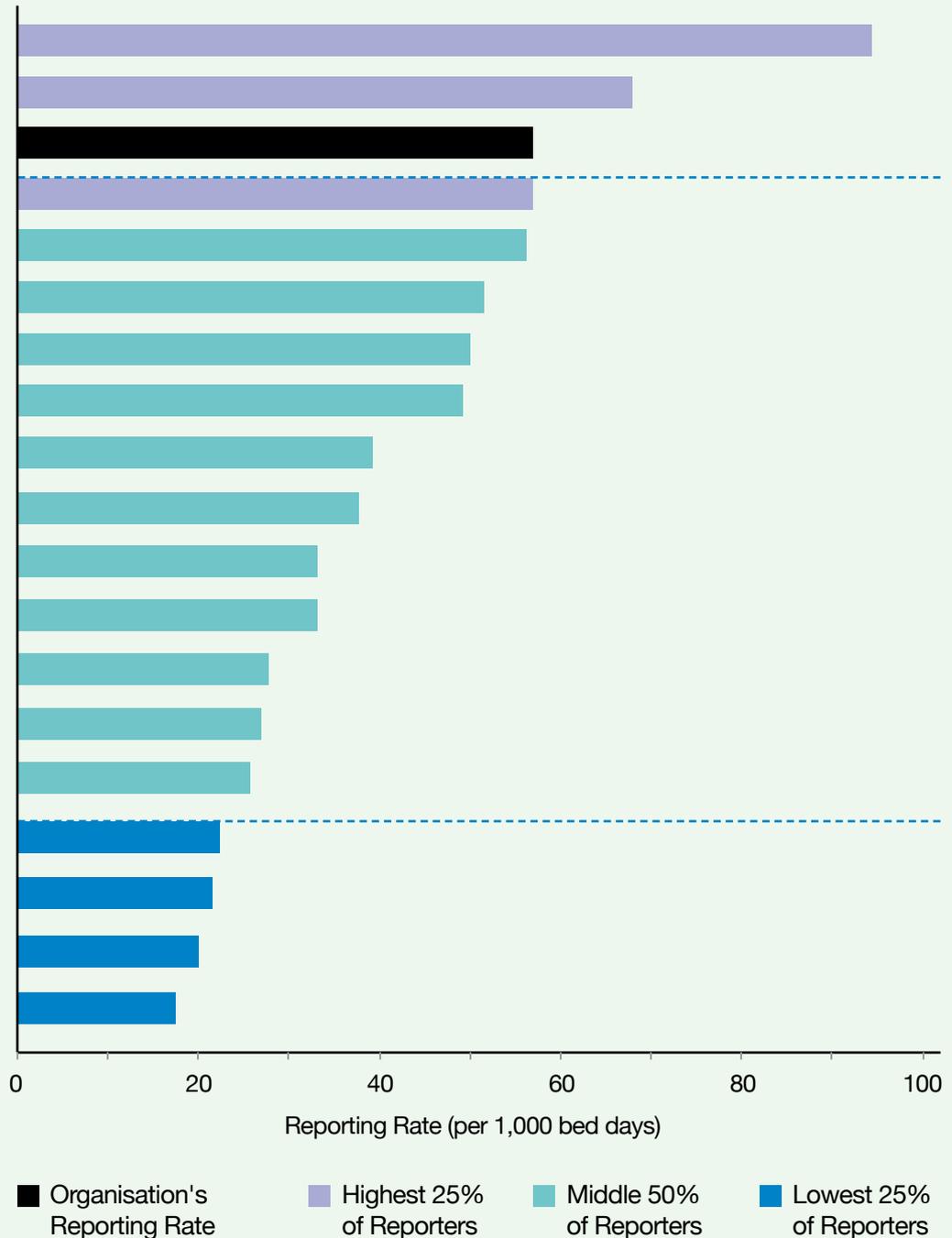
3.1 Patient Safety

Promoting a Culture of Safety	
Reason for Improvement	Safety is a fundamental aspect of high quality, responsive and accessible patient care. We aim to deliver higher standards of patient safety year on year, demonstrated through a culture of openness where staff have; a constant awareness of the potential for things to go wrong; are confident to report all incidents and near misses; learn lessons; and continuously improve safety.
The Aims	<ul style="list-style-type: none"> • To have a year on year improvement in incident reporting. • Improve the Trust reporting culture compared to our National Reporting and Learning System peer group from the lowest 25 percentile to the highest 25 percentile.
Improvement Monitoring	Through incident categories, trends, numbers reported through the Trust’s Weekly Meeting of Harm, the Clinical Quality Steering Group, the Clinical Quality Assurance Committee, Trust Board Report.
Evidence of Improvement	<p>The National Patient Safety Agency established a National Reporting and Learning System (NRLS) before it was transferred to the NHS Commissioning Board Special Health Authority in June 2012. All organisations continue to upload their incident data into the NRLS and receive comparative reports on their culture of reporting.</p> <p>The chart below shows that at March 2012 Alder Hey (shown by the black line) was in the lowest 25% of reporters within the peer group of 20 comparable acute specialist trusts.</p>

Are you actively encouraging reporting of incidents?

The comparative reporting rate summary shown below provides an overview of incidents reported by NHS organisations to the National Reporting and Learning System (NRLS) occurring between 01 April 2014 to 30 September 2014. Alder Hey reported 1,713 incidents (rate of 55.56) during this period.

Figure 1: Comparative Reporting Rate, Per 1,000 Bed Days, For 20 Acute Specialist Organisations.



The median reporting rate for this cluster is 35.92 incidents per 1,000 bed days.

Organisations that report more incidents usually have a better and more effective safety culture. You can't learn and improve if you don't know what the problems are.

The improvement between 2013/14 and 2015 is shown below. There has been an increase in clinical incidents reported from 2110 in April 2013 to March 2014 to 3684 in April 2014 to March 2015; this represents an increase of 75%.

Clinical Incidents Including Near Miss 2013-14 Against 2014-15



The Trust is committed to improving patient safety and has registered as a member of the 'Sign Up to Safety' campaign. The 'Sign Up to Safety' campaign aims to halve avoidable harm and save an additional 6000 lives over the next three years.

As part of signing up to the 'Sign Up to Safety' campaign the Trust has pledged:

1. Put safety first.
2. Continually learn.
3. Be honest and transparent.
4. Collaborate with others to promote learning.
5. Be supportive - help people understand why things go wrong.

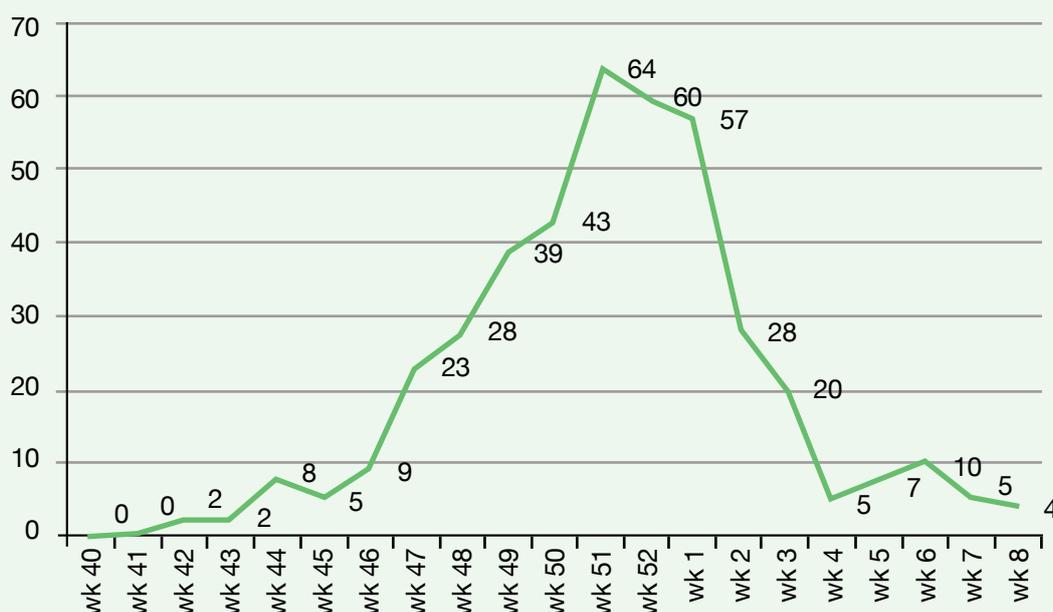
No Hospital Acquired Infection (HAI) – Primary Aim to Reduce Hospital Acquired Infection.

Increase the Use of In-house Rapid Respiratory Virus Testing (Film Array) to Increase the Turnaround Time for the Detection of Respiratory Viruses.

Reason for Improvement

Respiratory Syncytial Virus (RSV) is the commonest cause of respiratory illness (bronchiolitis) in children particularly those less than two years of age. The virus is seasonal and normally occurs for at least a six week period during the winter months between November and February. RSV is the commonest cause of hospital admissions due to acute respiratory illness in young children and the high number of babies requiring admission to the Trust during the winter months places huge pressures on the Trust.

RSV Positive Patients



2014-15

Trust Infection Prevention and Control Policy requires that any child admitted with acute respiratory illness, including Bronchiolitis/Pneumonia/Empyema or with any unexplained febrile illness, to be placed in a single room. When a single room is not available, the patient should be placed in a room with patients who have the same infection (cohorting).

At Alder Hey rapid testing was available only for RSV, with the results usually being available within four hours. As patients may have co-infection with other respiratory viruses, they cannot be nursed together in a cohort area, unless it has been established that they only have RSV infection. Therefore respiratory samples had to be sent to the Royal Liverpool University Hospital for PCR (Polymerase Chain Reaction) testing. The turnaround for these tests during the winter was a minimum of 36 hours during the week.

The average duration of stay for patients with Bronchiolitis on the Medical Admissions Unit in previous RSV seasons had been less than three days so historically, patients Respiratory PCR results were frequently unavailable until the baby was nearing or already discharged from the Trust. As patients couldn't be cohorted together until these results were available they required isolation in a cubicle for the duration of their stay.

The overall aim was to increase the turnaround time for the detection of respiratory viruses.

The Aims	<ul style="list-style-type: none"> • Review and trial of laboratory systems that enable quick turnaround times for the detection of respiratory viruses. • Introduce the system (Film Array) within high risk units all year round. • Use of the system (Film Array) during the respiratory virus season (November–March) Trust-wide in order to increase the turnaround time for the detection of respiratory viruses. • Provide information to Infection Prevention and Control (IPC) Team and patient flow, facilitating the cohorting of patients with the same respiratory virus together, thus improving patient flow and availability of cubicles for patients. • Quicker isolation of infectious patients. • Reducing the incidence of hospital acquired respiratory viruses, including outbreaks. • Rapid diagnosis of Influenza can allow treatment to be given at the time of presentation. The Trust Influenza pathway states that in “at risk” children, Oseltamivir must be given within 48 hours of the onset of symptoms to be effective.
----------	--

Improvement Monitoring	Improvement was monitored by collecting data on the laboratory result turnaround time, numbers of cases of hospital acquired respiratory viruses (RSV) and the number of outbreaks of respiratory viruses. The data was reported to the bi-monthly IPC Committee.
------------------------	---

Evidence of Improvement	In 2014, there was continued use of Film Array within high risk areas all year and introduction of testing for respiratory viruses for all areas commenced at the beginning of October until February 2015. There were three machines in use during the 2014-15 season and 1,118 samples were tested of which 406 were positive for RSV (36%). In addition 330 cases of Rhinovirus, 61 cases of Corona virus, 55 cases of Influenza and 70 cases of Adenovirus were identified.
-------------------------	---

Incidence of Hospital Acquired RSV and Influenza Nov 2013 - Mar 2014 and Nov 2014-Mar 2015

Month	Number of HA-RSV	Number of HA-Influenza	Month	Number of HA-RSV	Number of HA-Influenza
Nov 2013	1	0	Nov 2014	1	0
Dec 2013	6	0	Dec 2014	9	2
Jan 2014	1	0	Jan 2015	0	3
Feb 2014	1	0	Feb 2015	0	0
Mar 2014	1	0	Mar 2015	0	0

There were 10 HAI-RSV (2.5%) compared with 10 (2.1%) the previous year. There were 2.2 cases /100 AED attendances.

Although there wasn't a decrease in the number of RSV or Influenza cases during the 2014-15 winter season, the use of the Film Array has enabled more effective cohorting of patients with RSV. Cohort areas remained open for longer periods than in previous seasons and areas for patients with undiagnosed viruses were established during the peak of the season.

Patients were then moved into either an RSV cohort or cubicle, once results were available. This assisted with flow through the Emergency Department (ED) as patients could be moved up quickly from ED to a bed.

Three of the HAI- RSV cases related to an outbreak of RSV. The use of the Film Array meant that the outbreak could be identified more quickly and established if any other patients were excreting the virus and required isolation in a single room.

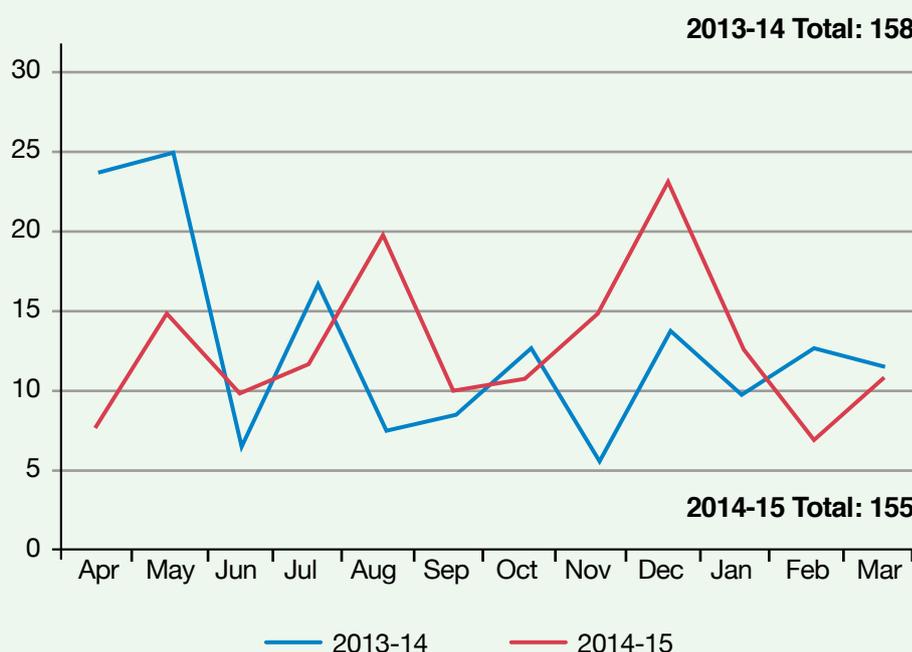
Due to the mismatch between the Influenza vaccine and circulating viruses in 2014-15, there was an increase in Influenza cases identified at the Trust. The rapid identification of the Influenza virus in children on the main wards enabled rapid isolation, thus preventing onward transmission. In addition when exposures had occurred, children could be assessed for Prophylaxis within a timescale that allowed effective treatment to be given.

Over the next year we will see the expansion of Film Array to include other infections i.e. identification of Enterovirus is due to commence in spring 2015. Alder Hey will be one of the first Trusts using the Cerebral Spinal Fluid Film Array panel. It is hoped this intervention will reduce inpatient stays for children with Enterovirus.

In addition patients with Pertussis will be identified using the Film Array and a preliminary report sent out to clinicians before confirmation is received from Public Health England. This will enable appropriate treatment to be commenced and reduce the risk of staff exposure as staff will wear the correct Personal Protective Equipment earlier.

The Trust is committed to reducing all hospital acquired infections and from April 2014 to March 2015 and as the chart below shows there were 155 outbreak acquired organisms/hospital acquired organisms compared to 158 in the previous year; this equates to a decrease of 2%.

Hospital Acquired Infections and Outbreak Organisms 2013-14 Against 2014-15



The Next Steps
in 2015/16

Continued focus on a reduction of hospital acquired infection.

Neurosurgical/Craniofacial Department Surgical Site Infection Care Bundle

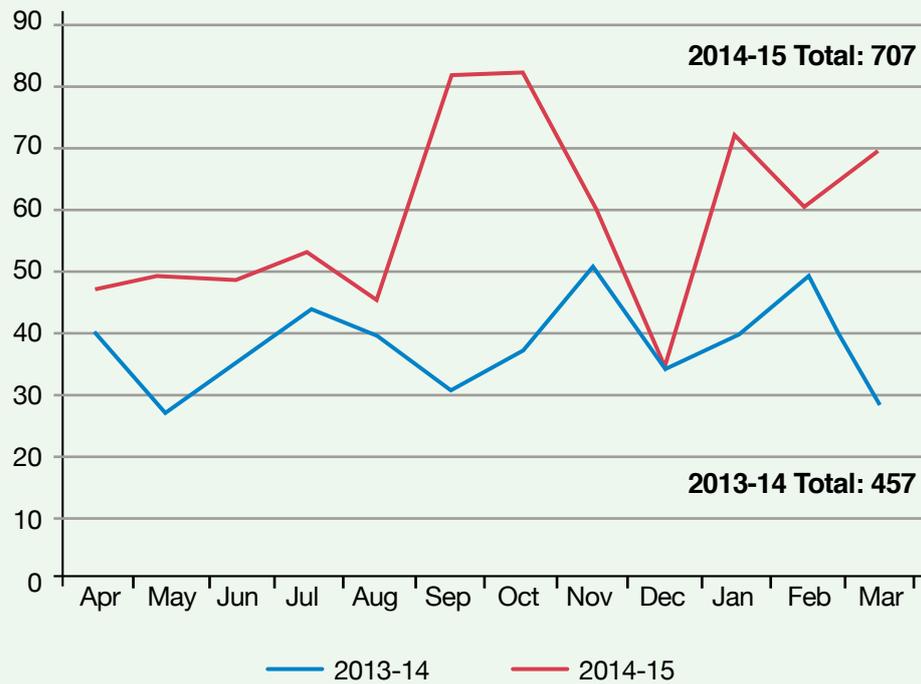
Reason for Improvement	<p>Neurosurgery instituted a monitoring programme for Surgical Site Infection (SSI) in late 2011, in conjunction with a pre-operative patient washing programme involving an antimicrobial soap solution. Review of 2012 SSI data led to changes in suture technique, ward practices and post-operative positioning of neonates/infants undergoing spinal surgery. However we felt that our infection rates could be further reduced, even without a national comparable measure being available with which to benchmark.</p> <p>A definition of a care bundle is a collection of interventions that may be applied to prevent a particular condition. Working jointly with our Infection Control/Microbiology Department, a Neurosurgical SSI Care Bundle was devised and implemented in November 2013.</p> <p>The new Neurosurgical Care Bundle states the interventions that need to be taken before the patient goes to theatre; before, during and following the operation.</p>
The Aims	<p>To further reduce the SSI rates following neurosurgical procedures in our department.</p> <p>To be able to demonstrate quality surgical patient care in our hospital.</p> <p>To reduce costs without compromising patient care:</p> <ul style="list-style-type: none"> • Reduce readmissions. • Reduced hospital bed occupancy. • Reduced related complications. • Reduced antibiotic usage.
Improvement Monitoring	<p>Every operative procedure is recorded and sub grouped, i.e. Cranial, Craniofacial, Cerebral Spinal Fluid (CSF) diversion etc. All surgical site infections are defined using the published Public Health England protocol for the surveillance of SSI. All data is subsequently analysed by Microbiology and Neurosurgery and presented to both the Craniofacial and Neurosurgical teams for review.</p>
Evidence of Improvement	<p>There has been a reduction in all categories of surgical site infections as demonstrated in the chart below.</p>

Infections by SSI Subgroup 2012/13/14



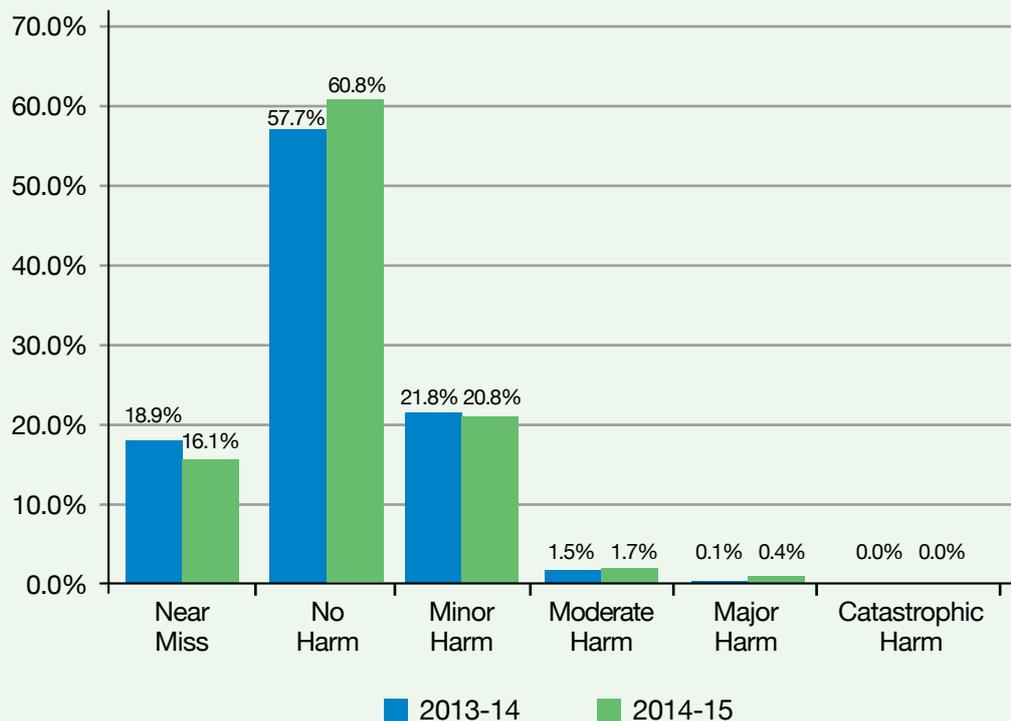
The Next Steps in 2015/16	<p>Review of the data has demonstrated aspects of the care bundle that require improvement and this will be discussed at Infection Prevention Committee level.</p> <p>Data will continue to be collected and analysed in the coming year as per departmental and Trust requirements.</p> <p>SSI surveillance is a key component of the Trust infection prevention and control strategy. The reduction of SSI in Neurosurgery from a peak of 8.1% to 4.0% is very encouraging. With further refinements to the care bundles it is hoped that the SSI rate will reduce further in 2015.</p>
No Drug Errors Resulting in Harm	
Reason for Improvement	<p>Almost every patient who is admitted to hospital requires medication. Prescribing, administering and dispensing medicines for children are complex processes and require specialist knowledge and experience.</p> <p>Medication errors are the most common type of incident reported in most hospitals in the UK. We want to reduce the number of medication errors happening in Alder Hey for three main reasons:</p> <ul style="list-style-type: none"> • Medication errors can harm patients. The majority of the errors which have happened in Alder Hey have not caused harm to patients but a small number have caused harm or might have caused harm if they had not been discovered before reaching a patient. • Medication errors can increase the length of time a patient stays in hospital or increase the cost of their stay because more tests, investigations or treatments are needed. • Being involved in a medication error can be a very difficult experience for patients, their families and the staff involved.
The Aims	Reduce the number of medication errors that reach the patient by 23% by March 2015.
Improvement Monitoring	<p>Medication errors are reported on the Ulysses reporting system. Individual errors are immediately triggered to the manager in the area where the error happened plus other appropriate individuals.</p> <p>The Medication Safety Committee (MSC) (a subgroup of the Drug and Therapeutics Committee) review monthly summaries and identify trends in reporting.</p> <p>The Trust's 'Weekly Meeting of Harm' reviews incidents that have caused harm to patients in the previous week, this includes medication incidents.</p> <p>The Clinical Quality Steering Group review overall trends in medication error reporting.</p>
Evidence of Improvement	<p>In Alder Hey medication safety relates to:</p> <ul style="list-style-type: none"> • 270,000 children seen per year. • Average in-patient is prescribed eight medicines during their stay (range 0-35). • Average in-patient is administered eight doses of medicines every day (range 0-47). • Over 2,500 doses of medicines are administered across the Trust each day. • 434 medication incidents were reported in 2013. • 612 medication incidents were reported in 2014. • Incidence: 1 error in 1,500 doses administered. <p>The total number of medication incidents reported in 2014/15 has increased from 457 reported in 2013/14 to 707 (an increase of 55%). This reflects a Trust-wide drive towards increased reporting during 2015, creating as many opportunities as possible for learning from incidents.</p>

Medication Incidents Including Near Miss 2013-14 Against 2014-15



In addition to the number of medication incidents that have been reported, the number of medication incidents that have caused harm to patients has increased from 96 in 2013/14 to 127 in 2014/15. The majority of these as can be seen from the chart below caused no harm.

Percentage of Clinical Incidents Reported by Level of Harm: Apr 2013-Mar 2014 and Apr 2014-Mar 2015



Initiatives developed to reduce the number of medication errors reaching patients include:

- The development of Electronic Prescribing and Medication Administration (EPMA) has been given great priority in the Trust and is due to be implemented in May 2015. Clinical staff have been seconded to this project which should remove the possibility of some types of medication errors and reduce the risk of others. We are aware, however, that this could introduce new errors and so are ensuring systems are put into place to mitigate this risk.
- Single checking of a limited list of medicines has been introduced Trust-wide in order to free-up time to concentrated on more complex medicines.
- A Medication Safety Summit was held in February 2015 and priority work streams are being developed.
- Patient Safety Champions have been established and include medication safety in their remit.
- Recruitment to the post of Medicines Safety Officer-Nursing to lead and deliver the training for Independent Double Checking in addition to focusing on improvements in medication safety has commenced.
- Monthly data is being collected on preventative indicators for medication safety. This includes the number of patients who have had Medicines Reconciliation performed within 24 hours of admission; medicines administered according to policy; patient identification band being in place and prescribing errors surveillance.
- The Trust pain prescription has been redesigned in response to medication errors reported.
- Training sessions on medication safety have been held throughout the year for various disciplines and grades of staff.
- Developing timely feedback for prescribers making errors on the Paediatric Intensive Care Unit (PICU).
- Developed a '5 Rights Campaign' to promote safe administration of medicine, inclusive of a poster competition for children and young people which have been displayed throughout the Trust.

The Next Steps in 2015/16

This remains a priority for the Trust as we strive to achieve our target of a 23% reduction in medication errors causing harm.

No Hospital Acquired Pressure Ulcers

Reason for Improvement Pressure ulcers are an area of localised damage to the skin and underlying tissue due to pressure, friction and shear or a combination of these. They are often seen as a measure of the quality of care given but they are also painful and debilitating.

As a result we want to prevent our patients from developing a pressure ulcer whenever possible.

The Aims We aim to reduce the incidence of a patient developing a pressure ulcer by at least 16% by the end of March 2015.

Improvement Monitoring When pressure ulcers develop they are reported as a clinical incident enabling us to record how many have been reported. They are also reported to the Tissue Viability Nurse and each pressure ulcer is graded according to its severity using a nationally recognised grading system. In addition each month the patient safety scan also measures if any patients have a pressure ulcer on that particular day. This information is reported monthly to the Clinical Quality Steering Group, Clinical Quality Assurance Committee and Trust Board.

Evidence of Improvement As with other areas of incident reporting we have seen an increase in reporting of pressure ulcers from 50 in 2013/14 to 54 in 2014/15, with the highest increase in grade 2 pressure ulcers, from 13 in 2013/14 to 22 in 2014/15.

Pressure Sores 2013-14 Against 2014-15



Recommendations from investigations conducted when a hospital acquired pressure ulcer has developed and the utilisation of best practice has resulted in a number of initiatives implemented to prevent and reduce the number of hospital acquired pressure ulcers which include:

- A Rapid Improvement Event was held in May 2014 with representation from each of the wards to launch a Trust-wide SSKIN (Surface, Keeping moving, Incontinence, Nutrition) bundle.
- Guidelines for the prevention and management of pressure ulcers have been developed and are accessible to all staff via the Trust Intranet.
- Introduction of pressure ulcer prevention and management into the Paediatric Intensive Care Unit (PICU) orientation and mandatory training programmes.
- Introduction of pressure ulcer prevention and management to the nursing staff new starters orientation programme.
- Introduction of the Repose range of pressure reduction equipment in ICU.
- A capacity and demand review of the Tissue Viability Service to identify if additional resources are required.

The Next Steps in 2015/16

The priority for 2015/16 continues to be a reduction in the number of hospital acquired pressure ulcers:

- Application for an increase in available hours for the Tissue Viability Service based on the capacity and demand review findings.
- Targeted education for wards.
- Continued support for the PICU Education Team in prevention strategies in this high risk area.
- Education and support in pressure ulcer prevention and monitoring in the plaster room and community.
- Improve utilisation of Level 1 Root Cause Analysis investigation template to support learning.
- Risk assessment, SSKIN bundle and care plans incorporated into Meditech 6 allowing easier audit of compliance.

3.2 Clinical Effectiveness

Improving the Transition From Children and Young People Services to Adult Services

Reason for Improvement

The transition from childhood to adulthood involves a period of significant change. During puberty, young people move from childhood into physical maturity. The sudden and rapid physical changes can make adolescents very self-conscious, sensitive, and worried about their own body. Young people begin to separate from their parents, with increased emphasis on friendships and establishing their own identity. In mid-to-late adolescence, young people often feel the need to establish their sexual identity through romantic friendships and experimenting. Adolescents become stronger and more independent before they've developed good decision-making skills, with an increase in risk-taking behaviours.

Young people with long term health conditions face significant additional challenges as they move from childhood to adulthood.

The changes of adolescence may result in increasing instability of the young person's condition, because of the effect of the physiological changes of puberty and because of the associated psychological and emotional changes. These challenges are also associated with the need to move from children's to adult health services. The manner in which this care is transferred to the adult healthcare system is essential to the continuing wellbeing of the young person and their willingness to continue and comply with health support and treatment. Additional challenges are faced when adult services are very different in their approach to the equivalent children's service or where there is no equivalent service in the adult sector. There is increasing evidence that planned, co-ordinated and supported transition can significantly improve outcomes for young people.

Specific challenges in transition of young people with complex neuro-disability

The cohort of young people with complex long term conditions, severe learning disability, technology dependence and palliative care needs is widely recognised as presenting specific additional challenges during transition to adult services. As a consequence, in Merseyside and Cheshire and nationally, many of these young people remain wholly or partly supported by children's services well after their 18th birthday. There are a number of important reasons for this:

- Difficulties in identifying the cohort of young people. This cohort of young people lack a single unifying diagnosis making them difficult to identify.
- Lack of a clearly identifiable single target health service in the adult sector.

- Severe learning and communication difficulties, meaning that these young people cannot advocate for themselves or take a lead role in management of their own health needs.
- Complex interrelated health, social care and education needs involving very large numbers of professionals requiring co-ordination of care and continuity between different teams, services and care settings.
- Small numbers of patients spread over a wide geographical area and a wide variety of care providers, but extremely high level service users.
- Instability, meaning that at all times the route into unplanned care must be clear and safe and that the transition process may need to be delayed during episodes of life threatening illness.

The Aims

- To develop a sensitive, reliable and reproducible way of identifying young people of transition age (14 years and over) with complex neurodisability from within the cohort of young people cared for by Alder Hey Children’s Hospital.
- To engage with adult healthcare providers in primary, secondary and tertiary care across Liverpool in order to develop a shared vision of a multidisciplinary multispecialty service that would be able to support young people with complex neurodisability in the adult sector.
- To engage with commissioners of children’s and adult services across Liverpool in order that the proposed multidisciplinary multispecialty service for young people with complex neurodisability is commissioned.
- To work with healthcare providers across Liverpool (in the adult and children’s sector), young people and families to develop a generic transition pathway, empowering and supporting young people, ensuring a consistent approach across providers, flexible enough to be adapted to the needs of individual diagnostic groups.
- To define a series of competencies across complex long term conditions management and transition at three levels: universal, core and specialist.
- To evaluate the current level of knowledge and understanding of children’s healthcare providers regarding transition, including knowledge and understanding of competencies relating to transition to adult services and complex long term conditions management.
- To develop core documents to support safe, effective transition including a visual representation of the transition pathway, what good looks like and an overarching Trust Transition Policy.
- To raise awareness across the Trust of the challenges of transition to adult services, in order to facilitate active engagement of staff and support “ownership” and implementation of the Trust Transition Policy.

Improvement Monitoring

Achievement of key deliverables:

- Measures of staff engagement with the Trust Transition Programme.
- Baseline assessment (to be repeated annually).
- Number of young people aged 14 and over within the Trust at different stages of transition.
- Young people accessing the Trust at an age when transition should have been completed.
- Critical incidents relating to transition; Young people with complex neurodisability (in addition to above).
- Number (percentage) of young people of transition age cared for by the Trust with an:
 - Identified key-worker.
 - Identified Lead Consultant.
 - Evidence of a transition plan.

Evidence of Improvement

Realisation of key deliverables:

- A sensitive, reliable and reproducible method for identifying the cohort of young people of transition age with complex neurodisability.
- Basic demographic and diagnostic data on the above cohort through application of the above process.
- Classification of transition status of all young people of transition age who have accessed Alder Hey Children's Hospital in the last two years.
- A model for a multispecialty, multidisciplinary service in the adult sector for young people with complex neurodisability, including commissioning support to progress with a business case and setting up the service.
- Generic Trust Transition Pathway supported by a draft Trust Transition Policy and supporting materials.
- Competencies across complex long term conditions management and transition at three levels: universal, core and specialist.
- Evaluation of the current level of knowledge and understanding of children's healthcare providers regarding transition, including knowledge and understanding of competencies relating to transition to adult services and complex long term conditions management, through the Trust Transition Survey.
- Core documents to support safe, effective transition including a visual representation of the transition pathway, what good looks like and an overarching Trust Transition Policy.
- Increased awareness of the challenges of transition to adult services across the Trust.
- Measures of staff engagement with the Trust Transition Program:
- Identification of an Executive Lead for Transition.
- Engagement of:
 - Children, young people and parent focus groups
 - Over 200 clinical staff in the Trust through the Transition Survey.
 - Over 100 clinical and managerial staff through the Transition Roadshows.
 - 62 clinical staff through the Transition Away Day.
 - 24 Transition Champions across the Trust.
 - First Trust Transforming Transitions Newsletter.
 - 2 x Trust Transition Steering Group meetings.
- Presentation at Clinical Quality Assurance Committee.
- Baseline assessment (to be repeated annually).

The Next Steps in 2015/16

- Repeat baseline assessment as above.
- Consult on proposed Transition Policy across the sector, including adult and children providers in primary, secondary and tertiary care, young people and families.
- Further work to develop and define the roles of the GP, Keyworker and Lead Consultant in transition and care of patients with complex long term conditions.
- Develop the role of Transition Champions.
- Identify Transition Leads within CBUs and clinical teams.
- Identify markers of complexity and set up relevant data fields within Meditech 6 (patient care information system) to capture them and an audit process to ensure these fields are reliably and consistently completed.
- Implement Transition Policy within the Trust including active monitoring of critical incidents.
- Set up a "register" of young people where transition to the adult sector is delayed either for appropriate clinical reasons or because of a lack of appropriate services in the adult sector.
- Work with the adult sector to develop the business case and set up multispecialty, multidisciplinary service in the adult sector for young people with complex neurodisability.
- Develop a nationally recognised transition tool kit, alongside our core materials.

- Design and deliver transition training for professionals within the Trust and in adult services, including experiential learning techniques such as simulation and video materials.
- Further participation and engagement work with young people and their parents/carers to inform the above.

The Alder Hey Child and Adolescent Mental Health Services and Mersey Care Adult Mental Health Transition Team Development of a Staff Transition to Adult Mental Health Services Training Programme

Reason for Improvement

Alder Hey and Mersey Care NHS Trust are two large organisations working in the Merseyside region. Child and Adolescent Mental Health Services (CAMHS) form part of Alder Hey and they cover the areas of Liverpool and Sefton. Mersey Care is a large Mental Health Trust which covers the areas of Liverpool, Sefton and Kirkby. There are variations in the clinical commissioning of psychiatric services within CAMHS and there is some crossover with the services Mersey Care Adult Mental Health Services (AMHS) provide. For example, CAMHS is not commissioned to provide crisis support for young people aged 16-18 years old as Mersey Care are commissioned to provide this service. In addition Cheshire and Wirral Partnership (CWP) NHS Trust is the identified provider of inpatient care (Tier 4) for young people aged under 18 from the Liverpool and Sefton Merseyside area.

Practitioners from CAMHS and AMHS services were consulted utilising focus groups, to identify areas of training required. Assessment and management of young people aged 16-18 years old was cited as an area which practitioners found to be challenging. In addition problems have been identified with transition from CAMHS to AMHS services and lessons have been learnt through incident investigation.

The TRACK study (Singh, 2008) shows that transitions for young people at the age of 18 are 'poorly planned, poorly managed and poorly received'. Further, recent guidelines have been published from the Royal College of Psychiatrists for managing self harm in young people (CR192 Managing Self-Harm in Young People. Royal College of Psychiatrists, 2014). Within this guidance it is recommended that practitioners assessing young people assess their digital life as part of the process. This is a relatively new area and there is growing evidence that young people's digital activity can have both positive and negative consequences which need to be explored by mental health professionals. A training programme was devised and presented by CAMHS, AMHS and Tier 4 professionals to practitioners from these services. The following areas were covered in the training:

- Who requires Tier 4 services?
- An overview of Tier 4 services and their Outreach Team.
- Assessing a young person's digital life.
- Working with vulnerable young people.
- Case Studies of young people; Capacity, Consent, Competence and Confidentiality.
- The Transition Process from CAMHS to AMHS.

The Aims

- To improve knowledge when assessing young people primarily aged 16- 18 years old.
- To improve communication, networking and relationships between CAMHS, AMHS and CWP practitioners.
- To improve young people's transition from CAMHS to AMHS.
- For practitioners to have a greater understanding of who requires Tier 4 CWP services and what services they provide.
- To have representation of each Trust in the delivery of the training, who were also available to consult with and answer questions.
- To promote assessment of young people's digital lives as part of the psychosocial assessment process.
- To gather suggestions from attendees as to how the training could be improved.

Improvement Monitoring

Feedback from trainees who accessed the training sessions was obtained by means of training evaluation questionnaires. The evaluation covered a number of themes:

- Usefulness of the presentations.
- The level of delivery.
- The presenters' knowledge.
- Time allotted.
- Expectations.
- Gains.
- Overall satisfaction.
- Recommending training to others.
- Suggestions on how the training could be improved in the future and additional comments.

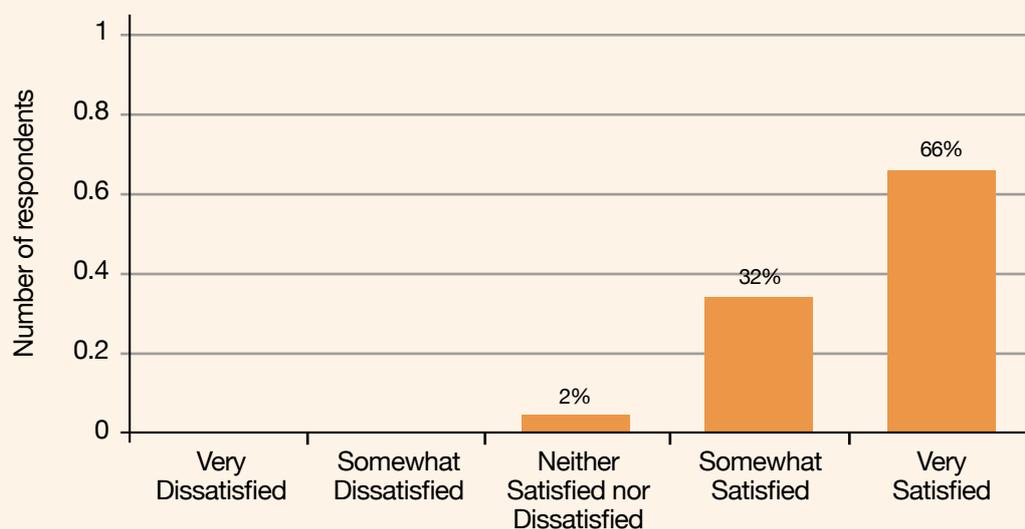
Evidence of Improvement

In all of the domains the majority of trainees rated the training highly. Overall, trainees expressed high levels of satisfaction with the training event. Generally, trainees communicated that they found the sessions useful in terms of their content and found that the level of delivery was about right. Most were satisfied with the presenters in terms of their knowledge and found that the pace of delivery was about right. The majority also expressed that they would recommend the training to others, that it met their expectations and all felt they gained something from the training. However, a small number of individuals made negative comments, mainly in relation to the level and pace of delivery. Also suggestions on how training could be improved were made in regards to the training content.

Assessment Training

Assessment training was delivered to 41 staff. As can be seen in the chart below, 98% of attendees were either somewhat or very satisfied with the training provided.

What is Your Overall Satisfaction With the Training Event?



In addition, respondents were given a free text box and their comments have been used to inform future training.

Transition Training

Transition training is practical training delivered to teams. The chart below represents feedback from participants of the first training session.

Figure 1: Overall Satisfaction



The Next Steps in 2015/16

The Transition Team aims to continually monitor, review and improve the training they deliver. The suggestions and comments provided in the evaluation will be taken into consideration for the planning and delivery of future training events.

Improving Care for Children and Young People with Learning Disabilities

Reason for Improvement

Gaps in data capture and provision of reasonable adjustments for children and young people (CYP) with a learning disability (LD) accessing mainstream services have been identified.

The Aims

- To have a named permanent member of staff with the lead responsibility for the advocacy and support of children with LD.
- To identify LD Champions for wards and community teams.
- To have a mechanism in place to identify and flag patients with learning disabilities and protocols that ensure that pathways of care are reasonably adjusted to meet the health needs of these patients.
- To provide readily available and comprehensible information to patients with learning disabilities about the following criteria:
 - Treatment options.
 - Complaints procedures.
 - Appointments.
- To have processes in place to provide suitable support for family carers who support patients with learning disabilities.
- To have processes in place to routinely include training on providing health care to patients with learning disabilities for all staff.
- To have protocols in place to encourage representation of people with learning disabilities and their family carers.
- To have protocols in place to regularly audit practices for patients with learning disabilities.

Improvement Monitoring	<ul style="list-style-type: none"> • Regular meetings held by the LD Project Team with clear agenda items and action plans. • Health Passports including Risk Assessments. • Training Day for LD Champions; plan the event and implement. • Representation from Healthwatch Liverpool, Edge Hill University, staff from various departments and specialties. • LD Champions identified from different backgrounds, designations and departments.
Evidence of Improvement	<ul style="list-style-type: none"> • An executive sponsor has been identified with lead responsibility for LD. • CAMHS teams at Alder Hey have developed protocols and mechanism to flag patients with LD. • Changes to Meditech at a Trust level are currently being implemented and disability categories have been identified. • Easy read resources have been developed in some services e.g. Children and Adolescent Mental Health Service (CAMHS). • An easy read complaints leaflet has been developed previously. • Trust-wide support mechanisms, information and processes, for carers of patients with LD and related actions have been identified. • Health Passports are in use and enthusiastic staff will be trained to become LD champions on the 21st of April with bespoke training. • Mandatory training for all staff includes staff diversity training, incorporating disability and learning disability awareness.
The Next Steps in 2015/16	<ul style="list-style-type: none"> • Identify and capture CYP with LD within 48 hours of admission via Meditech and provide risk assessment for those who need it through completion of a Health Passport. • Provide regular bespoke training and refresher training for LD Champions. • Ensure that reasonable adjustments are put in place regarding appointment times and length. • Conduct audits of reasonable adjustments that are in place i.e. use of Health Passports, role of LD Champions, Risk Assessment and capturing data.

To Further Develop and Embed Face to Face (F2F) Parent to Parent Support For Children With Complex and Ongoing Needs Within an Acute Provider.

Reason for Improvement	<p>Collaborative working between voluntary sector SCOPE and Alder Hey was started in 2011 as a research study. The aim was to take the research evidence from our local study and with national data, continue to develop this approach of training and emotional support to parents from other trained parents.</p> <p>While there are several ways the mechanism of befriending and its effects on individuals (mothers, fathers, grandparents and carers) and communities are understood, the evidence is growing that such approaches enable parents to cope with the difficulties in daily lives.</p> <p>We recognise that family, child, parent and extended families experiences of health care and social care can be difficult when a child has a long-term condition. Difficulties can be further increased at times of transition, such as from primary to secondary school and when leaving children's services to move to adult care. Befriending has been used as an intervention to support individuals with low levels of social support in a range of health and social care settings at these stressful times.</p>
------------------------	--

Inclusion of the parent befrienders within acute environments acts as a beacon for other parents. The uptake of the F2F service highlights that there is a need for support. By building F2F relationships, parents can access emotional support that may not be possible elsewhere.

Building these relationships has allowed befrienders the opportunity to be supported to engage in conversations, discussions and management meetings about their child with complex needs with increased confidence. The parents who are befriended have also gained new skills and share these within the acute environment with staff at ward level.

The Aims

A primary aim was to continue the scheme and embed in practice.

Further aims included:

- The scheme would become recognised across the organisation and all parents would benefit from access to the F2F scheme.
- Increased publicity about the F2F scheme would provide staff with the opportunity to sign post parents.
- The F2F scheme will aim to engage with the hard to reach groups, for example fathers.

Improvement Monitoring

Quarterly evaluations have been provided to the Quality Team as well as reports to SCOPE since they funded 50% of this venture within the Trust.

The scheme has also sought additional funding from the Big Lottery Fund and is awaiting an outcome.

Evidence of Improvement

The following are the key areas of success:

- Secure email for the F2F co-ordinator to accept referrals from staff on site.
- Electronic referral form for staff.
- Online referral form for parents/carers.
- Additional parent training from a diverse range of parents from within different Clinical Commissioning Group's.
- Drop in sessions held fortnightly attended by new parents accessing the Trust.
- Presence in the Outpatients Department with various flyers, stands and leaflets.
- Ward/clinic based befrienders.
- Planned F2F question on all nurse led admission questionnaire, with link to information to be given to parents.
- Intranet visibility of the scheme.
- Building of links between departments and also across networks within the Trust.

The Next Steps in 2015/16

Emotional support for the families we see is integral to maximising the opportunities for the children and young people we care for.

There is recognition that access to CAMHS and mental health provision can be difficult for families of children with complex needs. F2F offers one solution to this and engages the third sector in partnership with acute care with a shared goal.

F2F has a positive contribution to offer toward transition support and we aim to try to build this into a model of care for families of children with complex needs.

To Ensure Patients, Their Families and Visitors Have the Best Possible Experience at Alder Hey the Following Three Areas Have Been a Priority For Improvement:

1. Patient and Family Feedback

2. Patient Information

3. Volunteer Services

Reason for Improvement	<p>The Trust's commitment to delivering quality is demonstrated in two strategic documents, the Quality Strategy and the Patient Experience Strategy, which are supported by a set of Quality Aims that were developed in early 2013 with patients, their families, our staff and governors. The strategic patient experience aim is:</p> <ul style="list-style-type: none"> • Patients will have the best possible experience (as reported by patients and/or families). <p>Alder Hey's values incorporate respect, excellence, innovation, together and openness. We will only achieve this by ensuring that patients, carers and visitors to the Trust have an opportunity to provide feedback and become an integral part of the development and effective delivery of services.</p>
The Aims	<p>The Trust is committed to ensuring that we have a robust model of patient and family engagement and involvement throughout the organisation that makes a real difference not only to the services we deliver, but also to the overall patient experience.</p>
Improvement Monitoring	<p>This information is presented to the Clinical Quality Steering Group and the Clinical Quality Assurance Committee and has been incorporated into the Patient Experience Report, presented to the Trust Board.</p>

Evidence of Improvement

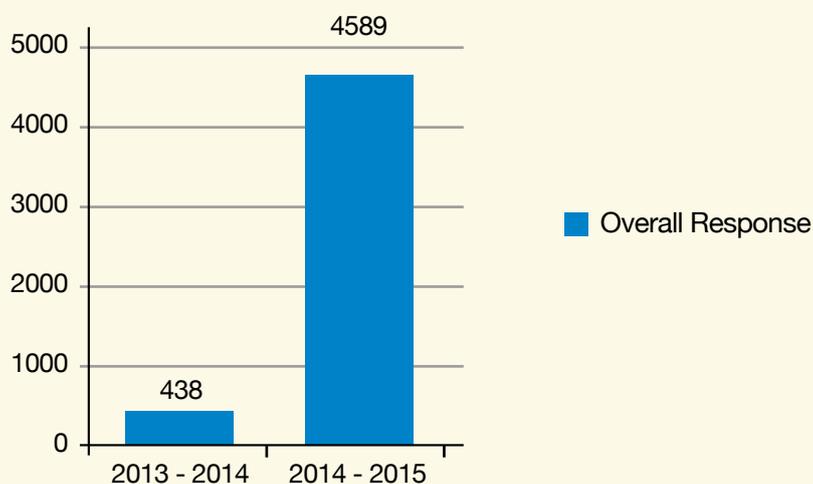
The following are examples of the achievements within the Patient Experience Team:

Patient and Family Feedback

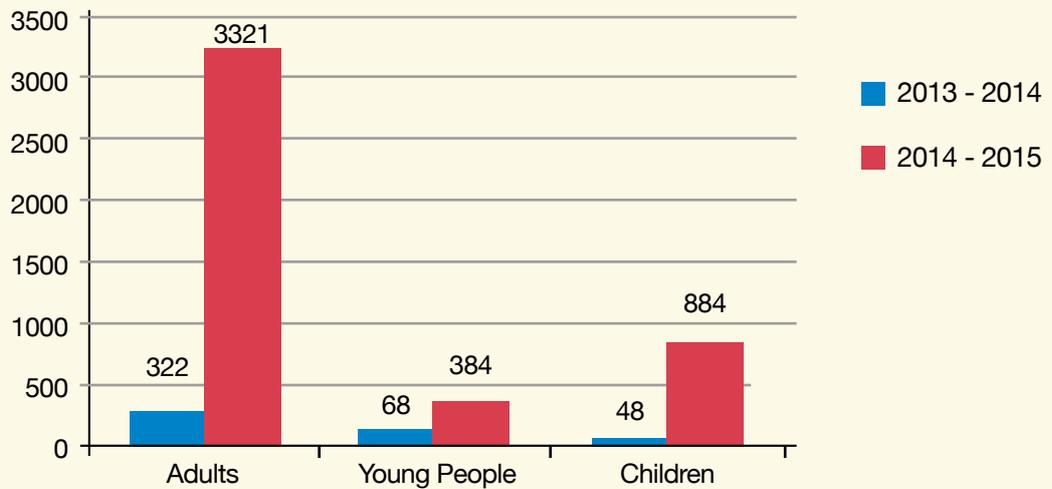
The Fabio device continues to provide valuable feedback in relation to the Quality Aims and additional information provided in the free text facility has been valuable in enhancing the scope of feedback obtained.

The following charts demonstrate that there has been a significant increase in the total number of Fabio questionnaire responses. In April to March 2013/14, there were 438 responses compared to 4,151 in April to March 2014/15. This equates to an increase of 948%.

Overall Fabio Response



Overall Fabio Response



While the increase in responses to the Fabio questionnaire is very positive, there remains a challenge to improve the responses from children and young people.

The 'Friends and Family Test', which is the question, "How likely are you to recommend our hospital to friends and family if they needed similar care or treatment?" has been incorporated into the Fabio questionnaire as a pilot from July 2014, prior to mandatory collection of this data in April 2015.

Age Group	Response	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15
Children and Young People	% Recommend Trust	97%	98%	91%	97%	99%	93%	93%	94%	94%
Parents	% Recommend Trust	95%	94%	98%	97%	95%	95%	95%	95%	95%
Total	% Recommend Trust	96%	96%	96%	97%	96%	94%	95%	95%	95%

The 'Friends and Family Test' has shown that children, young people and their parents, would consistently recommend Alder Hey to their friends and family if they needed similar care or treatment.

Patient Information

In April 2014, a highly entertaining and innovative reading workshop was held in the Lecture Theatre of Alder Hey's Education Centre. The aim of the workshop was to support members of staff, volunteers and parents who wish to read to and engage with our patients. Everyone who participated received a certificate in recognition of their attendance.

The Trust has formed a relationship with Readwell, a charity that provides books and storytellers for children in hospital. Over the past year hundreds of new books for children and young people have been distributed to our patients and their siblings. In addition to this, a professional storyteller from Readwell visits wards every half term to engage with patients and their families.

Feedback from one parent whose child regularly comes to Alder Hey was;
"For any child in hospital any distraction is welcomed and helps a parent to ease the boredom. Also books can help with the emotion a child can be feeling/help make them laugh and smile."
"Every boy and girl likes surprises and this was a lovely surprise."

Play specialists commented:
"A lot of children don't get the chance to read in hospital and as you know the benefits of reading help children to expand vocabulary and memory improvement."

"Memory improvement for older children will improve concentration and for those children better writing skills in the future. Once again thanks."



Books kindly donated by members of the general public are checked for appropriateness (ie. cleanliness and condition) and distributed to clinic waiting areas.

Throughout the year the Children and Young People's Forum as well as patients were involved in reading and reviewing books on a variety health conditions. Children aged as young as five contributed to this initiative and their involvement and enthusiasm was appreciated, particularly as some very ill patients participated. The reviews have been uploaded onto the Trust website.

As part of our ongoing celebrations we held two events on our wards for patients.

Reading for pleasure has been very much a theme of our 'Word on the Ward' initiative and Nico Russell the talented young author of 'Nana's Knickers' was invited to come along and meet our patients. He also brought his mum, the inspiration for his book, with him.

The actress Eithne Browne provided a highly entertaining rendition of the book 'Nana's Knickers'. The children were enthralled and had a good giggle when she produced a pair of pink and white spotted bloomers! Nico spent time with patients on our D2 Ward where patients receive dialysis. Denise Jones from Liverpool City Library Service also supported the event. She talked to patients and parents about Library Services and City of Reading.

The second event was focussed on the Readwell initiative and was held on our busy Orthopaedics Ward. The children and their families were engrossed when Helen Appleton, the storyteller from Readwell began to tell the tale of the Little Mouse. Each patient on the ward received a story book, a goody bag and a balloon. Eithne Browne was there once again to add to the fun with her songs and stories.

Helen and Eithne then went to several other wards to talk to patients and distribute more goodies.



Volunteer Services

Volunteers provide support which add value to services and enhance the patient and family experience. There are many reasons why we involve volunteers in what we do but ultimately, they help to develop and support the hospital in meeting the Trusts objectives in improving children and young adult's health and wellbeing by providing the highest quality, and innovative care.

Volunteering offers an opportunity for members of the local community to be engaged in activities that can support the development of skills and build confidence that may lead to employment, which may be within the health service. It also gives volunteers the opportunity to gain work experience and to request a reference for further education. It supports improvements in health and wellbeing for the individual.

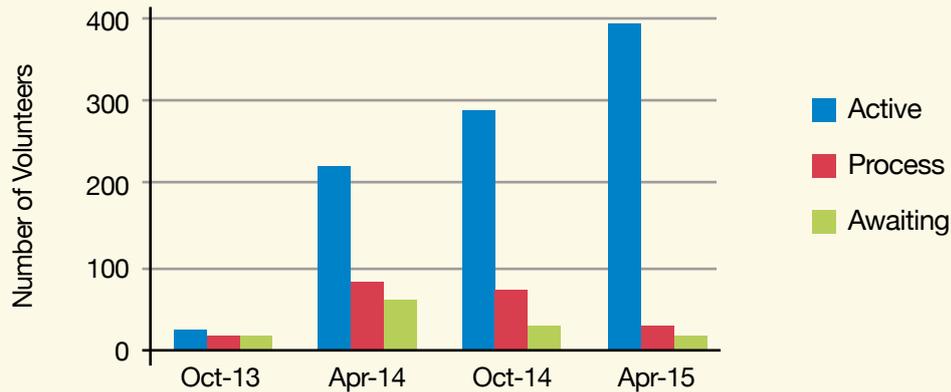
The Volunteering Department recruits for all volunteering services within the Trust inclusive of all Trust departments and third party volunteers such as:

- Everton in the Community
- Face to Face
- Rise of Sunshine
- The Alder Centre
- Woodland Beauty
- Alder Hey Children's Charity



This has been an exciting and productive year for the Volunteering Services Department. The team has been extremely busy further developing the Volunteering Services Programme. A re-launch programme and comprehensive recruitment plan has enabled the service to increase its workforce from 20 to 395 active volunteers since October 2013.

This has been achieved by close engagement with departmental managers and staff to support our volunteers within their department. The Volunteering Services Team has been able to support all departments with the provision of volunteers on a regular and ad-hoc basis.



Achievements this year include:

- Re-launch event for Volunteering services.
- Successful recruitment programme.
- Development of Bespoke Induction Training facilitated by Volunteering Services Team covering all ten core skills.
- Seven Volunteer Recruitment Awareness Events within the past twelve months.
- Development of policies, procedures and standard operational procedures for all aspects of volunteer services.
- Re-branding of volunteering services, provision of printed information; public and internal communication.
- Implementation of Ulysses Volunteers module to support an efficient database and paperless department.
- Working in partnership with external agencies e.g. DAISY UK disability organisation, Work Solutions/Learn Direct to place long term unemployed people in work with a placement for 30 hours a week for 27 weeks.
- Increased provision of concierge services to include Saturday service.
- Identification of all third party volunteers and assurance that recruitment process has been completed.
- Successful Volunteers Week; full week planned of entertainment and recognition for our volunteers ending with a garden party.
- Co-ordination and distribution of Easter and Christmas gifts for children.
- Celebration and recognition of volunteers' contribution at Trust Award Ceremony.

The Next Steps in 2015/16

- Further development of systems and resources for collecting real-time and right time patient and family feedback.
- Ensure a successful implementation of the 'Friends and Family Test', using a variety of methods of data collection to meet Trust target for compliance.
- Further expand recruitment of volunteers.
- Expand volunteer roles to meet needs of different areas.
- Volunteers to be given the opportunity of a personal development plan each year.
- Evaluate the effectiveness of the current volunteer workforce.
- Continue to support clinical teams in developing patient information leaflets.
- Support and promote reading by providing additional, accessible resources for patients and their families.

3.3 Performance Against National Priorities

The Trust achieved all national priorities as indicated below:

The performance of Alder Hey against the Risk Assessment Framework 2014/15 is demonstrated below:

Target or Indicator (Per 2013-14 Risk Assessment Framework)	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Summary Hospital Level Mortality Indicator (SHMI) ¹			n/a	n/a	n/a	n/a
C. Difficile Numbers – Due to Lapses in Care			0	0	0	0
C. Difficile - Rates Per 100,000 Bed Days		6.9	0	0	0	0
18 Week RTT Target Admitted Patients	90%	89.3% ²	90.3%	90.5%	78.3% ³	90.2%
18 Week RTT Target Non Admitted Patients	95%	95.8% ²	95.2%	95.2%	91.3% ³	95.4%
18 Week RTT Target Open Pathways (Patients Still Waiting For Treatment)	92%	92.8% ²	92.1%	92.1%	92.9%	92.8%
All Cancers: Two Week GP Referrals	100%	94.7% ⁴	100.0%	100.0%	100.0%	100.0%
All Cancers: One Month Diagnosis (Decision to Treat) to Treatment	100%	97.8% ⁴	100.0%	100.0%	100.0%	100.0%
All Cancers: 31 Day Wait Until Subsequent Treatments	100%	97.7% ⁴	100.0%	100.0%	100.0%	100.0%
A&E - Total Time in A&E (95th Percentile) <4 Hours	95%		96.28%	97.46%	95.34%	96.99%
Readmission Rate Within 28 days of Discharge		0-15 Years:	7.9%	7.3%	6.9%	7.5%
		16 Years and Over:	4.5%	5.6%	2.4%	6.3%
% of Staff Who Would Recommend the Trust as a Provider of Care to Their Family or Friends		77%	91%	93%	80%	87%
Rate of Patient Safety Incidents Per 1000 Bed Days ⁵		35.92		Apr – Sept 2014 55.56		
Patient Safety Incidents and the Percentage That Result in Severe Harm/Death		0.4% 0.1%		Apr – Sept 0.3% 0.0%		
Financial and Service Performance Ratings			4	4	4	4

¹ Specialist trusts are excluded from SHMI reporting.

² National performance is based on most recent published Annual Report for 2014.

³ National performance is based on most recent published Quarter 3 data for 2014/15.

⁴ Alder Hey was compliant with all indicators each quarter, with the exception of the 18 Week RTT target for admitted and non-admitted patients from Quarter 3. Performance was in line with the agreed National Amnesty to clear longest waiting planned for Quarter 3.

⁵ Latest data published has been included. There has been a change in the way that this is reported for 2014-15 – now expressed per 1,000 bed days, rather than per 100 admissions.

The Trust considers that this data is as described for the following reasons.

- The indicators are subject to a regular schedule of audit comprising completeness and accuracy checks which are reported monthly to the Performance Management Group.
- The Data Quality Audit Plan will increase the frequency and scope of audits for 2014-15.

The Trust is taking the following actions to improve the scores and the quality of its services, by

- For RTT Performance – increasing capacity and improving waiting times for first appointment.
- For all other indicators the Trust is maintaining and improving where possible current performance.

Statements on the Quality Report by Partner Organisations

Commentary From Clinical Commissioning Groups

'Liverpool CCG welcomes the opportunity to comment on Alder Hey Children's NHS Foundation Trust Draft Quality Account for 2014/15. We have worked closely with Alder Hey throughout 2014/15 to gain assurances that the services they delivered were safe, effective and personalised to service users. The CCG shares the fundamental aims of the Trust and supports their strategy to deliver high quality, harm free care.

We have reviewed the information provided within the Quality Account and checked the accuracy of data within the account which was submitted as part of the trusts contractual obligation. All data provided corresponds with data used as part of the on-going contract monitoring process.

This Account indicates the Trusts commitment to improving the quality of the services it provides and Liverpool CCG supports the key priorities for improvement during 2014/15:

- To ensure a safe move to the new Alder Hey Children's Health Park
- To reduce harm to patients from a medication error.
- To reduce harm to patients as a result of the development of a pressure ulcer.
- To increase children, young people and their parents/carers involvement in patient safety.

This is a comprehensive report that clearly demonstrates progress within the Trust. It identifies where the organisation has done well, where further improvement is required and what actions are needed to achieve these goals. The Quality Account sets out the priorities for improving patient safety, patient experience and clinical effectiveness across all services provided by Alder Hey.

Through this Quality Account and on-going quality assurance process, Alder Hey clearly demonstrates their commitment to improving the quality of care and services delivered for children, young people and families. Alder Hey continues to develop innovative ways to capture the experience of patients and their families in order to drive improvements in the quality of care. Further development and implementation of the Children and young person's version of the Friends and Family Test is an example of one of the initiatives designed to ensure that users of the service are listened to and issues addressed can be continually monitored and acted on.

Cancelled operations has been a challenge for the Trust and we will continue to work with and support Alder Hey to review the effectiveness of the range of interventions currently being implemented to improve the current position. As part of this work Alder Hey remain focused on the impact on children and families when operations are cancelled and improving the patient experience.

Alder Hey places significant emphasis on its safety agenda, with an open and transparent culture, and this is reflected throughout the account with work continuing on reporting to the NRLS with a further commitment to demonstrate a year on year improvement in incident reporting. This commitment is also supported through the participation in the Sign Up to Safety Campaign and the pledges put forward to improving patient safety across the organisation.

Liverpool CCG welcomes the transparency within the report regarding the CQC inspection during a routine inspection

in May 2014. The Trust has demonstrated considerable improvements over the last twelve month and we acknowledge the hard work and commitment of Alder Hey staff to ensure patients remain at the centre of care.

Liverpool CCG along with our Co-Commissioning CCG's our aspiring through strategic objectives and 5 year plans to develop an NHS that delivers great outcomes, now and for future generations. That means reflecting the government's objectives for the NHS set out in their mandate to us, adding our own stretching ambitions for improving health and delivering better services to go even further to tailor care to the local health economy. Providing high quality care and achieving excellent outcomes for our patients is the central focus of our work and paramount to our success.

It is felt that the priorities for improvement identified for the coming year are both challenging and reflective of the current issues across the health economy. We therefore commend the Trust in taking account of new opportunities to further improve the delivery of excellent, compassionate and safe care for every patient, every time.

Katherine Sheerin, Chief Officer, Liverpool CCG

Commentary from Overview and Scrutiny Committees

None received prior to publication.

Commentary from Governors

'Overall it looks fine. In the section relating to non-accidental injury, I'd like to see some reference regarding how the Trust engages with the Local Safeguarding Children Board.'

Professor Rod Thomson, Director of Public Health for Shropshire, Appointed Governor

'I am happy to accept these.'

Claire Blanchard, Parent Governor

Commentary from Healthwatch

'The level of particular focussed engagement on Quality Accounts from Alder Hey Children's NHS Foundation Trust to Healthwatch Liverpool this year provides opportunities for improvement that Healthwatch Liverpool would like to explore with the Trust in the coming months. Nevertheless, Healthwatch Liverpool welcomes this opportunity to comment on the 2014/15 Quality Account of Alder Hey Children's NHS Foundation Trust.

The priorities set by the Trust do appear to be appropriate and the priority of ensuring a safe move to the Alder Hey Children's Health Park particularly is fitting for the coming period. The quality account does appear to provide a fairly useful summary of the Trust's performance regarding the quality of its service and it does seem to show progress on a number of important fronts.

Healthwatch Liverpool is pleased that the Trust is continuing to put a high priority on its clinical research programmes. The actions regarding the recruitment of more nurses are particularly encouraging to observe as good staffing levels are of vital importance to the quality of any health service, especially where that service will make use of single room accommodation and be supporting patients with complex needs.

The Quality Account could have benefited from improvements in some sections. For example, more detailed narrative in the section on CQUINS would have made this section more accessible to the public audience. However, other sections are very clear. The information on Patient Safety and Hospital Acquired Infection etc. are well laid out and relatively easy to understand. Healthwatch Liverpool also notes and welcomes that the Trust is making a clear commitment to keep focussed on Hospital Acquired Infection and the reduction of Hospital Acquired Pressure Ulcers.

The work regarding improving care for people with learning disabilities is encouraging and Healthwatch Liverpool looks forward to observing how this develops over the coming year. Equality and Diversity is one key topic that Healthwatch Liverpool believes should receive some emphasis in a comprehensive Quality Account and which this Quality Account would have benefited from explicitly including. Healthwatch Liverpool looks forward to observing the Trusts measures to communicate the content of this quality Account to its young patient.'

Andrew Lynch, Development Officer, Healthwatch Liverpool

Statement of Directors' Responsibilities in Respect of the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS foundation trust boards on the form and content of Annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15 and supporting guidance;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2014 to May 2015.
 - papers relating to Quality reported to the board over the period April 2014 to May 2015.
 - feedback from commissioners dated 21st May 2015.
 - feedback from governors dated 19th May 2015.
 - feedback from local Healthwatch organisations dated 21st May 2015.
 - feedback from Overview and Scrutiny Committee dated [none received].
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2015.
 - the 2014 national patient survey published in March 2015.
 - the 2014 national staff survey published in March 2015.
 - the Head of Internal Audit's annual opinion over the trust's control environment dated March 2015.
 - CQC Intelligent Monitoring Reports dated March, July and December 2014.
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to

confirm that they are working effectively in practice;

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board.

NB: sign and date in any colour ink except black.

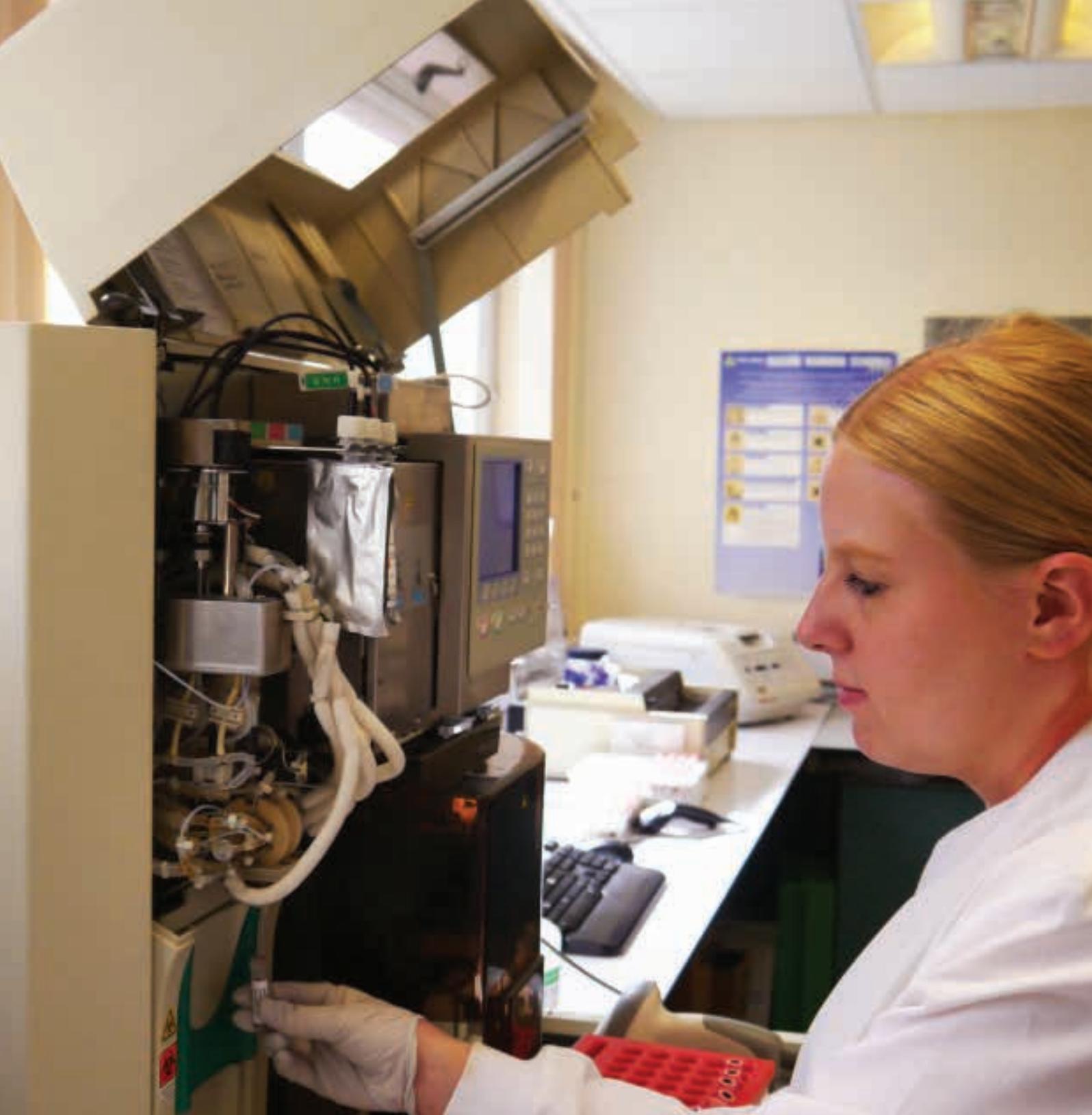
David Henshaw

Sir David Henshaw
Chairman
22nd May 2015

Louise Shepherd

Louise Shepherd
Chief Executive
22nd May 2015





Famous first...

Penicillin was tested on a child for the first time at Alder Hey, saving a child from pneumonia in 1944.

During World War 2, wards were once again occupied by both war casualties and children. Accommodation was tight and ten extra brick huts were erected at the far end of the hospital to house the military.

Those soldiers who were able to mobilise during their hospital stay were called upon during air raids to assist and carry the children to the nearest air shelter.

German casualties were also housed at the hospital ward, guarded by American police! Staff and casualties from neighbouring hospitals were transferred to Alder Hey as they were heavily bombed.

Staff Survey 2014: Results and Actions

Staff Engagement

Improving staff engagement and staff satisfaction remains a key priority for the Board.

The move into our new state of the art hospital in September 2015, Alder Hey in the Park, will mark a fundamental change to the way our services will be delivered to patients and their families. It is critical to the success of our service that staff feel that they have a stake in the future of Alder Hey, and so continued involvement in the planning and transition to the new hospital ensures that staff can see how their effort and commitment can maintain and improve standards of the care we provide.

Staff have been engaging positively with the Trust over the past twelve months, as evidenced by the high levels of involvement in the design and planning of the new hospital, the highly successful Flu Campaign and the response rate to the 2014 staff survey, where over 1,100 staff responded (44% of all staff).

In addition to the Staff Survey, we continue with a monthly questionnaire to measure staff engagement which includes the 'Staff Friends and Family' questions. Sharing feedback with staff remains a key priority and the communications plan includes an ongoing 'You Said, We Did' campaign throughout the year to ensure staff are kept informed about progress against key actions.

Summary of Performance - Results From the NHS Staff Survey

A summary of performance can be seen in Table 1, where comparisons can be made with both the Trust and national average scores for acute specialist Trusts received in 2013 and 2014.

The Trust response rate was 44%, just above the overall national response rate for all organisations in England of 42%.

Based on a comparison of all acute specialist Trusts and of all 29 Key Findings (KF) within the survey, we score better than average on two KFs (KF 17 – staff experiencing physical violence from other staff and KF 28 – staff experiencing discrimination at work); we score average on six KFs and below average on 21 KFs.

The measure of overall staff engagement has increased from 3.69 to 3.71, (out of a maximum of five) however we are still behind the national average of 3.95.

We have most improved in the following three areas:

- KF 11 less staff experiencing stress.
- KF 14 more staff reporting fairness of incident reporting.
- KF 21 more staff reporting that communication between staff and senior management has improved.

Largest Local Changes

The largest local improvements since 2013 are:

- Senior managers act on staff feedback; 18% to 26%.
- Senior managers are committed to patient care; 39% to 47%.
- Care of patients/service users is my organisation's top priority; 59% to 68%.

Top Ranking Scores and Progress Since 2013

A theme continuing in the top ranking scores in 2014 is the support for diversity across the workforce.

KF 26 (% of staff having equality and diversity training in last 12 months) demonstrates that we have retained a high level of training since the previous year's survey at 68%, and KF 28 (% of staff experiencing discrimination at work in the last twelve months) was 7%, lower than the national average of 9% by two points, and down 1% on the previous year's score.

The positive actions taken by the Trust regarding dealing with violence and aggression can be demonstrated by the responses for KF 17, which has been identified as one of our top ranking scores (% of staff experiencing physical violence from staff in the last twelve months). KF 5 (% of staff working extra hours) has also been identified as one of our top ranking scores.

Bottom Ranking Scores and Action Planning

The Trust has been ranked below average, when compared to similar trusts on all five of its bottom ranking scores (see Table 1). Two of the key findings are new for 2014. Due to our decision to survey all staff in 2014, we have been able to break down the results by department. Each department has been provided with this data in order for them to take action locally.

In addition, a Trust-wide action plan, created and supported by the Senior Leadership Team, aims to address key areas identified as requiring improvement such as:

• Staff Appraisals

Following the launch of our new values based appraisal process in April 2014, we have seen an improvement in the numbers of staff reporting that their appraisals were well structured and left them feeling valued. Nevertheless, we remain focused on continually improving the appraisal process and are committed to improving both the quality and numbers of appraisals undertaken by our staff.

• Increasing Learning and Development Opportunities for Staff

With a specific focus on Infection Control and Health and Safety training, the Director of Infection Prevention and Control (DIPC) and the Health and Safety Team respectively will be working with clinical areas to develop actions to address this.

• Continued Focus on Staff Communication

Continue the good progress we have made with the Communication Strategy, which outlines the commitment to communicate actions and progress made against staff feedback via a range of methods.

Future Priorities and Targets

To improve staff feedback and engagement, the Trust key priorities will be to:

- Remain focused on the key enablers of engagement.
- Continue to engage the whole workforce in the Staff Survey and further increase the Staff Survey response rate for 2015.
- Ensure continued engagement with Staff Side representatives.
- Encourage local ownership for survey outcomes, especially at department level.
- Continue with the monthly 'temperature checks' and monitor Trust wide and locally.
- Performance will be monitored regularly at the Board and the Workforce and Organisational Development Committee.

Table 1 - Summary of Performance - Results From the NHS Staff Survey 2014

Response Rate	2013		2014		Trust Improvement/ Deterioration Since 2013
	Trust	National Average	Trust	National Average	
	55%	54%	44%	42%	Decrease of 11% (2013 Based on Sample of 800, 2014 Based on a Survey of All Staff)

Top 5 Ranking Scores (2014)	2013 %		2014 %		Trust Improvement/ Deterioration Since 2013
	Trust	National Average	Trust	National Average	
KF 17 (% of Staff Experiencing Physical Violence From Staff in the Last 12 Months)	1	1	1	1	No Movement
KF 26 (% of Staff Having Equality and Diversity Training in the Last 12 Months)	67	66	68	68	Increase of 1% (Improvement)
KF 5 (% of Staff Working Extra Hours)	71	71	72	72	Increase of 1% (Deterioration)
KF 28 (% of Staff Experiencing Discrimination at Work in the Last 12 Months)	8	9	7	9	Decrease of 1% (Improvement)
KF 13 (% of Staff Reporting Errors, Near Misses or Incidents Witnessed in the Last Month)	91	92	93	92	Increase of 2% (Improvement)

Bottom 5 Ranking Scores (2014)	2013 %		2014 %		Trust Improvement/ Deterioration Since 2013
	Trust	National Average	Trust	National Average	
KF 22 (% of Staff Able to Contribute Towards Improvements at Work)	64	72	66	71	Increase of 2% (Improvement)
KF 15 (% of Staff Agreeing That They Would Feel Secure Raising Concerns About Unsafe Clinical Practice)	n/a	n/a	62	70	n/a
KF 4 (Effective Team Working)	3.69	3.81	3.70	3.83	Increase of 0.1 (Improvement)
KF 25 (Staff Motivation at Work)	3.75	3.91	3.73	3.90	Decrease of 0.2 (Deterioration)
KF 29 (% of Staff Agreeing Feedback From Patients/Service Users is Used to Make Informed Decisions in Their Directorate/Department)	n/a	n/a	53	62	n/a



Famous first...

Alder Hey was the first to establish a neonatal surgical unit in the UK.

The 1946 National Health Service act was implemented on the 5th July 1948 and established a number of 'regions', based on location of medical schools, throughout England and Wales.

Each region was administered by its own regional board which was responsible for the structuring and running of all hospitals in the region.

Regulatory Ratings

Monitor, the sector regulator for health services in England assigns each NHS foundation trust a risk rating for its governance and ability to provide continuity of services to its population, on a quarterly basis during the year. The role of ratings is to indicate when there is a cause for concern at a provider.

The Continuity of Services rating aims to identify whether the financial situation at a provider could result in any NHS services being put at risk. Using two key financial metrics Monitor rates NHS providers on a scale of 1 to 4, with 4 being lowest risk. The governance rating is derived from a range of indicators,

including the views of third parties and the Care Quality Commission, in addition to performance against national access targets. A provider will be rated green if there are no concerns, red if regulatory action is to be taken. Where Monitor has material cause for concern, it will replace its green rating with a description of the issue and steps being taken to address it.

A summary of Alder Hey's performance against the ratings for 2014/15 is set out below, including a comparison with the previous year. We have continued to perform well against both the ratings themselves and in comparison with our plan submitted to Monitor.

	Annual Plan 2014/15	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15
Continuity of Service Rating	4	4	4	4	4
Governance Rating	Green	Green	Green	Green	Green

	Annual Plan 2013/14	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14
Under the Compliance Framework					
Financial Risk Rating	5	5	4		
Governance Risk Rating	Green	Green	Green		
Under the Risk Assessment Framework					
Continuity of Service Rating				4	4
Governance Rating				Green	Green



Famous first...

In 1968 Alder Hey provided UK's first dialysis for children with kidney failure.

The University of Child Health was introduced in 1944, bringing a new dimension to the hospital. The Department of Child Health occupied 88 beds and cots in various wards. Two wards contained lecture theatres, laboratories, a dark room, pathology museum and library.

As time progressed, the balconies once used to treat children with Tuberculosis, became play areas. However, due to structural problems these were demolished in the eighties and replaced by fire exits.

Disclosures in the Public Interest

Valuing Our Staff - Health, Work and Wellbeing

In 2014, the Trust continued its good work in supporting the health and wellbeing of staff and our focus was to ensure continuous improvement in key areas which contribute to staff health and wellbeing.

Achievements in 2014 included:

- Appointment of a dedicated Trust Staff Health and Wellbeing Lead to lead the health and wellbeing agenda and refresh the strategy.
- Introduction of an Occupational Health Early Intervention Service, in partnership with our occupational health provider Team Prevent, to support staff with immediate strategies to help them manage their conditions and return to work wherever possible.
- Continued access to fast track physiotherapy and counselling services for staff.
- Successful bid for funding for an innovative health and wellbeing programme from the North West Leadership Academy, supporting staff with emotional and physical wellbeing.

- Ongoing promotion of services and facilities to improve health and wellbeing and prevention of illness such as smoking cessation, lifestyle health assessments, awareness raising events, obesity and the Zone (staff gym facility).

- Successful Flu Campaign, with over 80% of front line staff vaccinated during 2014 and 7th highest vaccination rate across the country. The Trust was also shortlisted for the NHS Employers 'Best Flu Fighter Team' award.

Supporting staff to improve their health and wellbeing will assist in the reduction of sickness absence rates across the Trust. The Trust closely monitors its performance against sickness absence targets and the position as at the end of March 2015 is detailed below:

Trust Monthly Total – March 2015	5.49%
Cumulative Position	%
Trust Target	4.5%



Information Governance

The Trust completes the Information Governance Toolkit assessment on an annual basis. This is the Department of Health tool which monitors compliance and improvement of Information Governance principles. We continue to develop our processes to strengthen Information Governance processes and therefore evidence towards this assessment, improving our overall score in the 2015 submission by 1% to 83%. We are also guided by and mandated to receive, internal NHS audits of the evidence and scores submitted for these assessments. Reports on these and consequent action plans are taken to the Trust's Audit Committee where reports are also presented on engagement with Information Governance within the Trust.

Much work has been done this year to further improve and document security controls within our critical Trust systems.

We continue to monitor and improve our mechanisms to ensure the information we collect and hold is handled appropriately. Further initiatives in relation to raising staff awareness have seen further engagement with areas to review processes. Further audits have also been introduced to monitor usage of systems and adoption of Information Governance principles.

Counter Fraud

The Local Counter Fraud Specialist, supported by the Trust, has continued to enhance the overall anti-fraud arrangements at Alder Hey through the conduct of a range of agreed activities specified in the Trust's Anti-Fraud Work Plan for 2014/15. The key to the success of these activities is the achievement of outcomes across the defined areas of anti-fraud work.

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

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





Famous first...

First paediatric renal transplant took place at Alder Hey in 1977.

Hospital visiting used to be much stricter than it is today! Visiting was not permitted on theatre days, visitors weren't allowed outside set visiting times and parents could only visit once a day for an hour.

Doctor's rounds were conducted in silence and visitors were not allowed on the ward until they were over.

The early eighties brought about a huge change with open visiting and parents were allowed to stay on the ward.

Voluntary Disclosures

Sustainability and Climate Change

Energy

The Trust's electricity usage increased during 2014/15. This was a result of a decrease in the usage of the combined heat and power (CHP) generator which had been running at a reduced capacity due to engineering issues. Electricity costs have slightly reduced as a result of an effective procurement strategy but it is anticipated costs will rise over the medium term, mainly due to an increase in distribution costs.

Gas usage decreased as a result of the CHP being offline and unable to produce heat which also impacted on the need to import more electricity. A warmer than

average year also contributed to the reduced usage. Recent lows in the cost of gas helped to mitigate the cost. The Trust's gas contract has now been migrated across to the same supplier as electricity and further financial gains are anticipated.

The Trust has now entered phase 2 of the Carbon Reduction Commitment (CRC) which is taxation on the amount of carbon that we emit. The cost of carbon in phase 1 was fixed at £12.00 per tonne; this has now increased in phase 2 to £16.90 per tonne and is expected to rise further through this phase.

A comparison of usage and costs over the last three years is set out below:

Year	2014/15			2013/14			2012/13		
Aspect	Units Consumed	Units	Value of Units	Units Consumed	Units	Value of Units	Units Consumed	Units	Value of Units
Electricity	8,461,817	Kwh	£740,987	6,124,389	Kwh	£696,254	5,805,226	Kwh	£663,142
Gas	17,504,983	Kwh	£527,924	20,777,066	Kwh	£585,384	22,259,747	Kwh	£581,191
Carbon	Data Not Submitted Until July 2015			7281	Tonnes	87,372	7410	Tonnes	£89,920
Water	33388	Cu Mtrs	£170,214	59,221	Cu Mtrs	£220,719	63,365	Cu Mtrs	£219,117
TOTAL			£1,439,125			£1,589,729			£1,553,370

It should be noted that the large reduction in water consumption is a result of a broken water meter.

Waste

The introduction of the offensive waste stream in June 2014 has resulted in a large reduction of clinical waste. Changes in procedure and reinforcement of training is still being carried out as the organisation looks to divert more clinical waste away from high energy and costly disposal. A trial of a re-usable sharps disposal system has recently been undertaken which gained a positive user response; its implementation should see a slight reduction in costs but a significant reduction in pollutants due to associated lower levels of incineration of plastics.

One initiative that has been very successful has been the recent 'Dump the Junk' campaign in preparation for the move to the new hospital which has been running since October 2014. The campaign has resulted in the disposal of a large amount of accumulated waste and some items of historical and cultural interest being found.

A comparison of the Trust's waste output is as follows:

Year	2014/15		2013/14		2012/13	
Resource	Units Disposed	Value of Units	Units Disposed	Value of Units	Units Disposed	Value of Units
Land Fill	129 Tonnes	£18,462	146 Tonnes	£22,763	130 Tonnes	£21,711
Clinical Waste	122 Tonnes	£61,884	203 Tonnes	£67,796	247 Tonnes	£131,874
Offensive Waste	163 Tonnes	£107,857	40 Tonnes	£18,038	Not Utilised	
Recycled	516 Tonnes	£62,420	619 Tonnes	£74,619	246 Tonnes	£91,994
Confidential	89 Tonnes	£12,565	75 Tonnes	£10,516	59 Tonnes	£7,739
WEEE	8 Tonnes	£4,115	13 Tonnes	£5,875	7 Tonnes	£7,184
TOTAL		£ 267,302		£199,607		£252,763

Travel

Alder Hey continues to promote the Cycle to Work Scheme and receives ongoing training support from Bikeright; there is an active cycling community within the Trust. The Trust is also an active member of Liverpool City Council Cycle forum and have input into the strategic direction of the local area cycle plan. Merseytravel has assisted the Trust in holding several transport information days to promote to staff the advantages of using public transport and this initiative will continue as part of the move to the new hospital. Liverpool City Council has also provided a grant for the installation of an electric vehicle recharging point which will be installed in spring 2015.

Equality Report

Alder Hey continues with its commitment to ensuring that all its services offer equal access for all communities who need to use them and that all employees experience equal opportunity in employment. This means that we actively seek to engage with patients, parents and carers, as well as members of staff, to ensure that we do not discriminate against any individual and that the diversity of each individual is valued. The principles of equality and diversity are core elements of the Trust's stated values, which are reinforced through the Trust's induction programme and personal development review, for all staff. While aspiring to greater achievement in the area of equality and diversity, the Trust also recognises the need to implement realistic approaches which can deliver measurable improvements in day to day experience for all the various different groups and individuals concerned. This reflection has contributed to a current revision of the overall E&D process, in order to most effectively prioritise those areas of development that will bring the greatest benefit to those most at a disadvantage.

During 2014, the Trust has presented updates of progress to local Healthwatch groups as part of continuing development of the NHS Equality Delivery System (EDS). In response to some key messages from this engagement, developments to support the strategic process for equality and diversity have been progressed. The Trust's Equality, Diversity and Human Rights Group will have ongoing responsibility to regularly review the Equality Objectives and oversee progress towards meeting these, as part of the organisation's obligations under the Equality Act 2010. A refreshed EDS2 was launched nationally in late 2013 and there is current revision of equality and diversity priorities and actions to align with the revised EDS2 outcomes for 2015/16. The EDS 2 outcomes relate to all areas of the Trust's functions, having four main goal areas – Better Health Outcomes, Improved Patient Access and Experience, A Represented and Supported Workforce, Inclusive Leadership. Arrangements for continuing Healthwatch engagement and partnership working with community groups will continue to be a focus for embedding equality and diversity practice and approach during 2015.

In compliance with the Public Sector Equality Duties the Trust publishes equality information annually about its service users and staff, identifying where data needs to be improved in both patient and staff profiles. This work is ongoing, with anticipation of changes in both the electronic patient record and employee staff record systems during 2015. A primary focus is to improve data and information which can be used to support any disability related needs of children and young people as patients. Currently there is a parallel development of the patient experience toolkit to capture any feedback regarding disability needs being provided for.

In response to the findings of the workforce profile data 2015, we are working with the local community to improve the accessibility of employment opportunities at Alder Hey to improve the diversity of the workforce particularly from Black and Minority Ethnic (BME) groups. This commitment is included in the Human Resources Recruitment Strategy and is reinforced via the underpinning Equality, Diversity and Human Rights Policy which sets out the Trust's commitment to creating an inclusive organisation, which seeks to recognise diversity, promote equal opportunities and supports Human Rights in the provision of health services for the communities it serves and in its practice as a leading employer.

We are also developing an Equality, Diversity and Inclusion Strategy to set out how Alder Hey can become more inclusive and accessible to all.

Work is ongoing to ensure that Equality Analysis is built into the early stages of policy development and changes to services so that equality considerations are at the forefront of everything that we do.

The implementation of new services for interpreting and translation has progressed during 2014/15, with significant improvement in data and coordination for this area of provision. This means that there is more accurate identification of both the uptake of services as well as understanding the language needs of our patients and families. Reflecting the diverse needs of our communities, the three most frequently requested languages during 2014 have been Polish, Mandarin, Cantonese and Arabic. Providing support for limited English speakers is essential for patient safety, quality assurance and enhanced patient experience and this will continue to be available where a need is made known. Further work is ongoing looking at how our services can be made more accessible in relation to information formats and communication support for families.

Plans for 2015 will also be to build partnership working with staff side organisations to address equality and diversity issues. There will be ongoing support available for staff through local and regional staff diversity networks, with renewed focus on developing appropriate resources and support mechanisms for staff who are identified as disabled. There will be continued attention to supporting the organisational process and strategic leadership for equality and diversity and communicating any gaps wherever these may be identified. Continued engagement with the Children and Young People's Forum will also contribute towards supporting overall improvement in patient experience for everyone.



Famous first...

Alder Hey has Europe's first intra-operative 3-T MRI scanner which is a pioneering technology for neurosurgery, reducing repeat operations in 90% of cases.

Alder Hey continued to grow its specialist care provision throughout the 60's, 70's, 80's and 90's.

Alder Hey is a Centre of Excellence for cancer, spinal, heart and brain conditions and a Department of Health Centre for Head and Face Surgery.

The hospital is a Centre of Excellence for Muscular Dystrophy and the first UK Centre of Excellence for Childhood Lupus. It is one of four national centres for childhood epilepsy surgery (a joint service with the Royal Manchester Children's Hospital) and a designated children's Major Trauma Centre.

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

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

Under the National Health Service Act 2006, Monitor has directed Alder Hey Children's NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Alder Hey Children's NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year. The directors consider that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- Observe the Accounts Direction issued by Monitor, 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 have been followed, and disclose and explain any material departures in the financial statements;
- Ensure the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- Prepare the financial statements on a going concern basis.

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 him/her 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.

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

Signed

Louise Shepherd

Louise Shepherd
Chief Executive
22nd May 2015



Famous first...

Alder Hey was the first to cure the UK's most commonly encountered congenital heart defect.

The Trust is one of four stand-alone specialist children's hospital in the country and treats over 275,000 children and young people each year. Alder Hey delivers clinical excellence for all children, for routine illnesses as well as very complex and rare conditions.

Alder Hey became a Foundation Trust in 2008.

Annual Governance Statement

Scope of Responsibility

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Alder Hey Children's NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alder Hey Children's NHS Foundation Trust for the year ended 31st March 2015 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

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

The Board of Directors approves the Risk Management Strategy on behalf of the organisation; the strategy was updated during 2014/15. As Chief Executive and Accounting Officer, I have overall responsibility and accountability for risk management. As a member of both the Board of Directors and the Integrated Governance Committee, the Chief Executive is informed of significant risk issues and therefore is assured that her role for risk management is fulfilled. The Medical Director is accountable to the Board of Directors and the Chief Executive for clinical risk management and clinical governance; he reports to the Chief Executive and the Board as appropriate. The Chief Nurse is the Executive lead for risk management and is accountable to the Board and the Chief Executive for the Trust's risk management activities; she is also responsible for embedding compliance with CQC standards across the organisation. The Director of Nursing is the operational lead for risk management, accountable to the Chief Nurse and has line management responsibility for the Trust's Risk Management Team. They are responsible for ensuring that the Trust's risk management systems and process are effective and operate in accordance with best practice. The Chief Operating Officer is the Executive lead for Estates and Facilities and is responsible for the effective management of risk in those areas. The Director for Human Resources retains an overview of statutory and mandatory training for the organisation and is responsible for Health and Safety management. The Director of Finance is responsible for ensuring that the Trust carries out its business within sound Financial Governance arrangements that are controlled and monitored through effective audit and accounting systems. He is also responsible for Information Management and Technology risk. The Director

of Corporate Affairs is responsible for Information Governance and is the nominated Senior Information Risk Owner, whilst the Director of Nursing is the Trust's Caldicott Guardian.

CBU General Managers and Clinical Directors are responsible for ensuring that risk management systems within the Clinical Business Units (CBUs) are effective and also meet the objectives outlined within the Risk Management Strategy. CBU Boards have a key role in assuring the effectiveness of risk management, including regular scrutiny of CBU risk registers. Lead Nurses monitor and review incidents, risk assessments, claims and complaints and ensure that agreed actions are carried out and feedback is given to staff.

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

In 2013/14 a Weekly Meeting of Harm was established by the Chief Nurse and Medical Director; this has continued to develop and embed throughout 2014/15 and is now a crucial mechanism within the Trust's risk management system. Each week the incidents and risk trends that have occurred in the organisation are reviewed by this group. Part of the remit of the group is to identify opportunities for wider communication regarding specific incidents and more general concerns, for example using 'incident of the week' posters to share key learning points and raise awareness on a Trust wide basis. 'Catch of the Week' has now also been developed to celebrate the importance of reporting near misses and understanding how practice can be improved as a result. During the year the Trust has seen significant improvement in its rate of incident reporting via the NRLS system, such that it is no longer an outlier in this regard; this demonstrates the commitment of staff to the Trust's quality improvement culture and the benefits to be gained from open reporting and learning from incidents. As part of the overall risk management improvement plan, a review of the functionality of the Ulysses incident reporting system was undertaken during the year, with the aim of improving reporting and making the system more 'user friendly' for staff.

The Board of Directors had a significant focus upon the Board Assurance Framework during the year, building upon the review undertaken by its internal auditors in the previous year to establish a cycle of 'deep dives' linked to the Corporate Risk Register, which has also been robustly reviewed and updated. The report continues to support the delivery of the Board agenda and has contributed towards the achievement of a 'Category A' rating under the annual assignment report on the Assurance Framework which states that 'an Assurance Framework has been established which is designed and operating to meet the requirements of the AGS and provide reasonable assurance that there is an effective system of internal control to manage the principle risks identified by the organisation'.

The Trust received a rating of 'significant assurance' confirmed by the Director of Audit Opinion for 2014/15.

The Risk and Control Framework

Implementation of the Trust's Risk Management Strategy is monitored through the Integrated Governance Committee, the successor body to the Corporate Risk Committee, created by the Board in response to the issues raised by the Care Quality Commission following its inspection of the Trust in May 2014. The Board of Directors and its assurance committees have continued to focus on key risks during the year. The strategy provides a robust framework for the systematic identification, assessment, treatment and monitoring of risks, whether the risks are clinical, organisational, business, financial or environmental. Its purpose is to minimise risks to patients, staff, visitors and the organisation as a whole by ensuring that effective risk management systems and processes are implemented in all areas of service provision, and that these are regularly reviewed. The key elements of the strategy include:

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

The Board Assurance Framework, which focuses on identifying and monitoring the principal risks to the

organisation at corporate level, has been embedded within the Trust and is regularly reviewed and updated. The Assurance Framework has been reviewed by the Board of Directors on a monthly basis during the year; it covers the following elements:

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

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

A key philosophy of this strategy is to facilitate greater embedding of risk management across the various Clinical Business Units and corporate functions and programmes in the Trust. In order to achieve that, each CBU, corporate function or major programme has a lead for risk and governance who acts as the focus of the various aspects of governance and risk management within their area. They coordinate all such work and liaise with the Risk Management Team and with other governance professionals across the Trust. A key element of the risk management improvement plan which was implemented during the year was the creation of the Risk Management Huddle which provides an informal forum and support network for the risk leads from across the organisation to share risks and approaches to mitigations and develop joint plans. The huddle process feeds in to the Integrated Governance Committee, via subject specific reports and updates to departmental and CBU risk registers,

which in turn inform the Corporate Risk Register. The Integrated Governance Committee engages in an active analysis of the Corporate Risk Register at each meeting, including consideration of risk escalation and de-escalation, which in turn links to the Board Assurance Framework.

Following recommendations from a number of external reports during 2013 and 2014, the Trust requested that MIAA, its internal auditors, undertake a risk maturity review as part of its follow up work. The overall objective of the review was to provide an assessment regarding the embeddedness and effectiveness of the risk management processes being applied across the CBUs and corporate support services. This was undertaken through facilitated self-assessment using a bespoke risk maturity matrix, building on a respected IIA model. 'Risk Maturity' is a measure of how an organisation views risk and utilises its understanding of risks to make key business decisions. MIAA concluded that the work highlighted the demonstrable progress achieved by the Trust following the development of the Risk Management Improvement Plan and the NHS England Action Plan.

In addition, MIAA have undertaken a follow up of the 16 recommendations raised in the MIAA's CBU Risk Management review which was reported to the Trust in January 2014 and which highlighted a number of improvement areas to ensure robust risk management across the organisation. The 2014/15 review focused specifically upon risk register and risk assessment processes within the CBUs; it found that overall the Trust has made good progress regarding the delivery of actions to address the issues raised in the 2013/14 review. These reviews reflect the significant focus that has been given during the year to strengthen 'ward to board' reporting and ensure that actions to mitigate and manage risks are taken in a timely way.

The Trust remains registered with CQC without conditions and is fully compliant with the registration requirements. In May 2014 the Trust received a full CQC inspection in accordance with its new regime. The overall rating for the Trust was 'Requires Improvement', although a number of services were rated 'good' (A&E, Medical Care, Surgery and Neonatal Care) and End of Life Care was rated as 'outstanding'. However, the Trust acknowledged that there were improvements to be made in some key areas and a great deal of work has been carried out in the last year to address the 'must do' actions highlighted by the CQC in its report. These included: deficits in nurse staffing, medical leadership within the High Dependency Unit, ensuring the availability of clinical records in outpatients and addressing identified shortfalls in governance and risk management systems. The Trust has completed much

of the action plan arising from the inspection and is working towards a re-inspection visit in the first quarter of 2015/16.

The Trust's inpatient Child and Adolescent Mental Health Unit at Alder Park received an unannounced Mental Health Act monitoring visit by the Care Quality Commission in August 2014, the findings of which were very positive; the few minor issues highlighted by inspectors were addressed in a local action plan.

In terms of monitoring ongoing compliance with registration requirements, the CBU's continue to provide regular exception reports to the Clinical Quality Steering Group across the full range of Quality Aims and indicators, including compliance with CQC standards, patient safety incidents and key clinical risks at local level. The reporting templates associated with this process have been reviewed and strengthened in the last year to ensure that the new CQC Fundamental Standards are fully incorporated in to 'ward to board' reporting. The CBU reports also contain areas of shared learning and notable good practice.

The Board at Alder Hey continues to review its quality governance arrangements and underpinning systems and processes on a regular basis. From September 2013 the Board revised its agenda to reflect the five key questions signalled by the Care Quality Commission as being the cornerstones of its new style hospital inspection process:

- Are we safe?
- Are we effective?
- Are our services caring and compassionate?
- Are our services responsive to patients' needs?
- Are we well led?

In taking this approach the Board has been able to better retain quality as its key focus, with substantive reports that aim to provide real assurance and address principal strategic and operational risks. This system has proved an effective means of triangulation with CQC standards and has remained in place throughout 2014/15.

The Clinical Quality Assurance Committee, whose membership includes all Clinical Directors as well as Board directors, carries out more detailed scrutiny under its delegated authority from the Board for oversight of the Trust's performance against Monitor's Quality Governance Framework, the delivery of the Quality Strategy incorporating measures of clinical effectiveness, patient safety and positive patient experience. The work of the Audit Committee complements this by discharging its responsibility for the maintenance of an effective system of integrated

governance, risk management and internal control across the whole of the organisation's activities.

The work to strengthen quality governance arrangements carried out in 2013/14 resulted in the expansion of the Clinical Quality Assurance Committee walkaround process, which involves extensive visits by Committee members, wider Board members and governors to clinical departments throughout the month preceding the Committee meeting, with one CBU as the focus each time. The aim of this is to provide multiple opportunities for Committee members to meet with staff, view service delivery at close quarters and meet with patients and parents to establish first hand feedback of quality of care. The result of this process is a comprehensive action plan agreed with the CBU management team to be achieved in subsequent months and evaluated through the Committee.

Since 2012 the Board has been working to improve the information received to describe the performance of the organisation with regard to quality. In 2013/14 it developed a monthly Quality Report to give a detailed overview of progress against the Quality Aims and improvement actions agreed. This report continued to develop during the last year to include nurse staffing information and the various elements of the Chief Nurse and Medical Director's Quality Improvement Culture initiative, including the outputs from the Quality Review Programme work.

The Board Assurance Framework is scrutinised by the Board at its meeting each month to enable the Board to be fully sighted on key risks to delivery and the controls put in place to manage and mitigate them, as well as enabling all members to have an opportunity to identify key issues, concerns or changes. The Board has continued with its schedule of quarterly 'deep dive' into the assurance framework, supported by an Integrated Assurance Report, to test controls and ensure that strategic and operational risks are being addressed as part of a coherent system. In addition, the relevant risks are monitored each month by each of the Board's assurance committees.

The Trust has been keen to ensure that it optimises the Quality Governance Framework published by Monitor and as well as placing this at the heart of the model that underpins the Quality Strategy, we have also undertaken regular self-assessments of our current position against each element of the framework and identified the actions required for improvement. In January 2014 the Trust commissioned its external auditors KPMG to carry out an independent review of its quality governance arrangements and test out the evidence used in the successive self-assessments. KPMG used the scoring mechanism employed by

Monitor when assessing foundation trust applications, which requires trusts to achieve a score of 4 or below. Alder Hey achieved a score of 4.5. The Trust was rated green or amber/green for the key themes of strategy, processes and structure and measurement and for some aspects of capabilities and culture. The accompanying report from KPMG contained 26 recommendations, of which two were considered high risk, relating to appraisals and mandatory training compliance. The Trust responded positively to the report and put in place a range of actions to improve the areas of weakness identified. A follow up review was undertaken in the final quarter of the year, which resulted in a score of 3. KPMG commented that in their feedback that “we have completed a detailed follow up of your Quality Governance arrangements in 2014/15. We have noted considerable progress against the recommendations made in our 2013/14 report and have identified no significant issues.” The Trust remains committed to a culture of continuous improvement and the Board will ensure that the effectiveness of its quality governance arrangements is kept under review.

The Board undertook its formal gap analysis against the conditions contained within its Provider Licence during the year. With regard to Condition FT4 – NHS foundation trust governance arrangements, the exercise did not identify any material risks to compliance with this condition. The issues identified by internal audit in 2013/14 as part of its review of risk management arrangements were addressed through the Risk Management Improvement Plan.

A comprehensive gap analysis of the Trust’s Corporate Governance Statement under the Provider Licence, was undertaken in May 2014 ahead of the formal declarations required by Monitor. The Board continues to keep its governance arrangements under regular review and itself appraised of any new guidance or best practice advice that is published through the year, where appropriate undertaking in-depth work to consider how the organisation would benefit from it. An example of this was the Trust’s response to the recommendations of both the Freedom to Speak Up review and those from the Lampard report following the Savile enquiry.

The Board’s main assurance committees each provides an annual report on its work to the Board, describing how the committee has fulfilled its terms of reference and annual work plan and outlining key areas of focus during the year, together with an overview of its priorities for the coming year. These are also submitted to the Audit Committee to for it to assure itself that the activities of the committees are contributing effectively to the Trust’s overall control environment and that the work of the assurance committees is directly linked

to the Board Assurance Framework. The assurance committees review their terms of reference on an annual basis to provide assurance to the Board that its structures continue to reflect the changing needs of the organisation and the environment in which it operates, including clear lines of accountability. For example, during the year the Clinical Quality Assurance Committee reviewed its focus and way of working in the light of the CQC inspection and QGF review, seeking feedback from the Trust’s Senior Leaders’ Forum as part of this. As a result, the Committee has adopted an approach that is based upon the CQC’s five domains and associated Key Lines of Enquiry throughout its processes. The Committee also reviewed its membership and took the decision to invite the Chief Operating Officer and Director of Finance to join the Committee, given the importance of quality to the Trust’s strategic direction. This has enabled a more immediate link to performance and technology issues to be made, strengthening the level of assurance during this key period ahead of the move to the new hospital.

In addition, the Committee held a workshop discussion aimed at refreshing the Quality Strategy; the outcome was a consensus between the Board and Clinical Directors that the strategy and direction in terms of quality remains fundamentally sound, with evidence of the principle of ‘quality at the heart of everything we do’ becoming more embedded across the organisation. Therefore, no major changes will be made to the strategy in the next twelve months.

In the past year each assurance committee has included within its terms of reference oversight of specific aspects of the transition to the new hospital, in accordance with its overall purpose, in order to reinforce the monthly Programme Assurance report to the Board. In relation to ‘business as usual’ activity, the Corporate Report remains the principal mechanism for ensuring that the Board and its committees receive timely, accurate and comprehensive information on the performance of the organisation. The report is kept under review by the Executive Team to ensure that it is fulfilling this function as effectively as possible; the non-executive directors provide regular feedback on the report and on the presentation of individual indicators. During the year, a Business Intelligence Project was initiated, which once complete will provide the Trust’s performance data electronically in real time.

The principal risks to the organisation focus predominantly on two main areas: delivering a safe move to the new hospital in the autumn of 2015 and ensuring that the Trust delivers on its activity plan, given the prevailing financial environment within the NHS. The move to Alder Hey in the Park entails a significant programme of change, including major service

redesign and the implementation of the Electronic Patient Care System. The change process is monitored via a robust Programme Management Office that provides a structured external assurance system, with a Programme Board that reports each month to the Board of Directors. The risk to delivery of the activity plan is linked to the challenges inherent in the move and the necessary disruption to service during specific periods. This will be mitigated by detailed plans that profile activities across the coming year.

The Trust has an Information Governance Framework that incorporates an ongoing programme of work to ensure that data held is handled appropriately and securely and any risks within the Information Governance remit are managed and controlled. This incorporates completion of the annual Information Governance Toolkit assessment which is overseen by the Information Governance Steering Group and is subject to internal and external review. In the March 2015 assessment the Trust continued to progress and improved on the previous year's submission scores – from 82% to 83% - and maintained the required Level 2 standard in all 45 requirements. As part of the MIAA audit of the Toolkit a number of spot checks were undertaken and Trust staff were commended for their level of awareness of information security and protecting the confidentiality of our patients. During 2014/15 a key focus of IG work has been the Trust's priority of a secure move to the new hospital site and this was reflected in some of the evidence supporting the IG Toolkit submission. To support the aim of a safe move, the 'Dump the Junk' initiative was launched in October 2014, aiming to provide support and guidance for staff to make informed decisions about those clinical and corporate records that the organisation should keep and in what format and those that should be disposed of, in accordance with the NHS records retention schedules. The Trust had one serious incident relating to Information Governance during 2014/15, which was reported to the Information Commissioner's Office. This incident related to a letter containing clinical information sent in error to the parents of a child with the same name.

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

Control measures are in place to ensure that the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust maintains continuing compliance with the statutory and regulatory duties that are related to Equality, Diversity and Human Rights, with publication of information to meet the Public Sector Equality Duty. The implementation of Equality Analysis through existing HR and policy review procedures has been further updated during 2014, with ongoing development of the organisational approach for this. Arrangements for the strategic oversight of progress towards the Trust's Equality Objectives have been a key priority during the year; this process will continue to be reinforced during 2015/16. The Equality Objectives will be aligned with NHS EDS 2 and will respond to the related commissioning requirements.

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

As Accounting Officer, I am responsible for ensuring arrangements are in place for securing value for money in the use of the Trust's resources. To do this, I have implemented a robust system to set, review and implement strategic objectives. Trust objectives are informed by the views of its Council of Governors and other key stakeholders. The Trust produces an annual integrated operational plan that sets out operational objectives which are cascaded to local level. CBU activity is reviewed throughout the year to monitor progress and agree corrective action where necessary by the Performance Management Group. The Board of Directors reviews performance against objectives on a monthly basis through the Corporate Performance Report which is also reviewed by the Performance Management Group and key Board assurance committees prior to submission to the Board. CBU operational plan performance is reviewed through the CBU Boards and twice yearly by the Board of Directors.

The Board's assurance system is underpinned by the work of the Trust's internal auditors which is overseen by the Audit Committee. Each year the Committee agrees an audit programme which aims to focus on areas of weakness in internal control and make recommendations to address deficits where these are identified. The Audit Committee retains a database of remedial actions agreed as a result of audits and these are followed up by the Committee until completed.

During 2014/15 the Trust continued to pursue the overarching principles set out in its Transformation Strategy, as approved by the Board in November 2011, which were to:

- Redesign patient journeys throughout Alder Hey to ensure we get it "right first time" at every step and radically improve patient flow;
- Modernise support systems for front-line care and reduce bureaucracy; and
- Safely reduce running costs over four years.

The focus remains to fulfil the Trust's ambition to deliver exceptional care to match the exceptional design of the new hospital when it opens in late 2015. The major transformation projects have been brought together under the 'How We Will Work in the Future' project which brings in teams right across the organisation; within this there are eight workstreams ranging from work to develop streamlined clinical pathways through to initiatives that are aimed at improving efficiency within corporate support areas. The Trust's Programme Management Office (PMO) continues to ensure that robust systems underpin the change programme, using widely recognised tools and methodologies. In order to support the transformation process and to oversee the Trust's transition to the new health park, the Board of Directors regularly reviews the progress of the three key strategic programmes: the delivery of Alder Hey in the Park, overarching change programme and the implementation of the major IM&T projects, including the Electronic Patient Record.

Alongside this, the Board has tasked the Trust's Operational Delivery Board, with Non-Executive Director input, to oversee the delivery of the Cost Improvement Programme; the PMO will provide assurance around each of the schemes and overall progress reported back via the Performance Management Group and the Resources and Business Development Committee. In addition, project management support is in place via the Transformation Team with project managers now directly aligned to a CBU. This will provide each CBU with the expertise and support required to deliver on their specific enabling schemes.

A range of specific initiatives to improve the use of resources were put in place during 2014/15, including:

- Launch of the InfoFox Business Intelligence Self-Service Portal and addition of new interactive dashboards including daily 'sales' activity reporting and nurse quality dashboards to provide early warning and enhanced performance management.
- A cumulative Average Length of Stay reduction of 2.2% on the 2010/11 baseline, amounting to 1117 bed-day savings.
- Launch of SLR/PLICS and self-service portal, achievement of national MAQS Gold score (2nd in England). Continued development of service line reporting and patient level costing information resulting in increased clinical engagement in costing and performance improvement.
- Establishment of the Surgical Admissions Unit and walkabout surgical pathway.
- Partnership working with NHS Supply Chain which maintained General Stores stockholdings at minimum levels and ensured value for money from contracts for consumables.
- Centralisation of further stocks in preparation for move into Alder Hey in the Park when a new central materials management team will drive best in class processes.
- Implementation of a 10 point procurement plan resulting in price reductions in a number of areas and ensuring resources available for the new equipment procurement for Alder Hey in the Park.
- Increased resources in procurement function to ensure value for money in contracts for non-pay expenditure.
- Establishment of CIP Core team and implementation of a PMO style bi-weekly assurance tracking.

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Medical Director and Chief Nurse are jointly responsible at Board level for leading the quality agenda within the Trust, supported by the Director of Nursing, Deputy Director of Quality and Head of Patient Experience.

The Trust's Quality Strategy was approved by the Board and embedded throughout the organisation during 2011/12 and was intended to be a four year plan to take the Trust into the new hospital. The Quality Strategy sets out the Trust's vision for quality, with the three domains of safety, patient experience and clinical effectiveness at the heart of this in terms of what we understand about quality and how we measure it. The strategy also represents a vehicle through which the organisation will promote the development of an open learning culture where incidents and complaints are investigated thoroughly to determine the root causes and action is taken, where appropriate, to improve services or change practices. The strategy starts from a position that everyone needs to understand their roles and responsibility and that all individuals contribute to the overall delivery of quality and those responsibilities are set out in some detail for different groups and individuals.

The Quality Account is a core element of the Quality Strategy. The quality outcome measures identified in the Trust's Quality Account are identified and reviewed on an annual basis in consultation with our Governors and other stakeholders.

In support of this, during the year the Trust's internal Quality Report was further developed to incorporate regular tracking of progress against the Quality Aims agreed across the organisation in 2013, incorporating a range of safety, effectiveness and experience measures that will also allow for consistent comparison with other providers and can be used as assurance for regulators. The Quality Report is reviewed in detail by the Clinical Quality Assurance Committee and by the Board of Directors on a monthly basis. The Report is kept under review to ensure that content remains responsive to key national drivers, for example the Francis, Berwick and Keogh reports and that actions taken to achieve the aims incorporate learning from failure in NHS provider settings as well as new regulations such as the Duty of Candour. In year developments of the Quality Report in 2014/15 included specific data on nurse staffing numbers and the outputs from the ongoing cycle of 'deep dives' into each clinical service area, which make up the Trust's Quality Review Programme.

Significant work has been undertaken during the year to assure the accuracy of the quality data contained within the report. In 2015 MIAA carried out a data quality audit on six measures in the Corporate Report, three of which were also in the Quality Report: medication errors, pressure ulcers, and cancelled operations. The review focussed on the systems and processes in place for collection, validation, analysis and review of data. Validation processes are carried out to ensure data accuracy; information received from

Risk Management is checked against information held in the Data Warehouse to ensure consistency, and discrepancies followed up with Risk Management. Medication errors are scrutinised by Pharmacy and pressure ulcers by the Tissue Viability Nurse, Infection Control send through validated data for hospital acquired infections/outbreaks. Information procedures are maintained to ensure they reflect changes in reporting processes.

At Alder Hey we have undertaken a range of measures to ensure we have accurate and robust waiting times data. In 2014 we had a formal audit with MIAA who provided us with 'Significant Assurance' as to the management of our waiting times and data. A weekly waiting times group has been established to monitor all aspects of RTT performance and identify and resolve issues; we have worked with ECIST to review our management of 18 Week pathways and accepted and implemented the recommendations made; we have established a data quality group that has been tasked with reviewing systems and processes to manage the transition to our new EPR system (Meditech 6) which involves training clinical and non-clinical staff in accurate data inputting which will ensure we are stopping and starting RTT accurately (amongst all of the other benefits the new EPR will bring), we have embarked on a significant transformational programme before we move into our new hospital; one of the programmes focuses on the administration of patient flow which ensures that we have robust and resilient administrative processes which will ensure we have timely and accurate data; we engage with the Civil Eyes Programme who benchmark the majority of children's hospitals in the UK and Northern Ireland across a range of indicators and specialty areas to ensure we are not an outlier. However, the external audit of the Quality Account found issues with the 18 week indicator. The issues identified related to data not agreeing to patient notes, evidence of pathways being/not being halted appropriately and outcome forms not being retained on file.

The external auditors have made one recommendation which the Trust is taking action to address.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and

clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Integrated Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

- the Board of Directors provides active leadership of the Trust within a framework of prudent controls that enable risk to be assessed and managed;
- the Audit Committee, as part of an integrated governance structure, is pivotal in advising the Board on the effectiveness of the system of internal control;
- the Committees of the Board are key components by which I am able to assess the effectiveness and assure the Board of risk management generally and clinical risk in particular via the Clinical Quality Assurance Committee and the Clinical Quality Steering Group which was established to strengthen the Trust's clinical governance arrangements;
- members of the Trust's Council of Governors are involved in a variety of scrutiny activities including quality 'walkarounds';
- Internal Audit provides quarterly reports to the Audit Committee and full reports to the Director of Finance and other Trust Officers;
- the Director of Finance also meets regularly with internal and external Audit Managers;
- the Integrated Governance Committee holds Clinical Business Units and corporate departments to account for the effective management of their key risks;
- other explicit review and assurance mechanisms include Clinical Business Unit risk registers linked to the Operational Plan and a range of independent assessments against key areas of control, as set out in the Assurance Framework;
- continuous registration without conditions by the Care Quality Commission 1st April 2010 onwards;
- retention of the Trust's Human Tissue Authority Licence; and
- retention of Clinical Pathology Accreditation for the year.

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

The Trust remains within trajectory for both MRSA and Clostridium Difficile, and continues to apply rigorous monitoring to other health care acquired infections that are prevalent among children.

I receive reports from the Royal Colleges and following Deanery visits. In addition, there are a range of other independent assessments against key areas of control which are co-ordinated and monitored under the auspices of the Trust's External Visits policy, for example:

- Maintenance of the Investors in People and Investing in Children awards.
- An audit by the North West Children's Major Trauma Network as part of a peer review process.
- External inspection of the Pharmacy Aseptic Services Unit under EL(97)52 - Aseptic dispensing for NHS Patients, carried out by Quality Control North West in November 2014.
- Patient Led Assessment of the Care Environment (PLACE) inspection.
- NHS Protect (Security Management) Inspection.

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

Conclusion

In conclusion, for 2014/15 no significant internal control issues have been identified.

Signed:



Louise Shepherd
Chief Executive
22nd May 2015



Alder Hey has been preparing to move to a new home for over a decade and will move into a new home 'Alder Hey in the Park' in 2015. The new hospital will be a purpose-built, world class healing environment for children and young people.

The new hospital will have 270 beds and 75% of rooms will be single bed occupancy with en-suite facilities. There will be play areas on every ward and more areas for patients and families, including parents' rooms, gardens and a spiritual area. Alder Hey in the Park will have leading edge technology and IT facilities and will be the most sustainable 24 hour hospital ever built.

Annual Accounts

Foreword

The accounts for the year ended 31st March 2015 have been prepared by the Alder Hey Children's NHS Foundation Trust under Schedule 7, Sections 24 and 25 of the National Health Service Act 2006 in the form which Monitor, the Independent Regulator of NHS Foundation Trust has, with the approval of the Treasury, directed.

Signed: *Louise Shepherd*

Louise Shepherd
Chief Executive
22nd May 2015



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	2014/15 £000	2013/14 £000
Income			
Operating Income From Continuing Operations	3 & 4	210,032	193,475
Operating Expenses of Continuing Operations	5	(191,736)	(178,506)
Operating Surplus		18,296	14,969
Finance Costs:			
Finance Income	9	114	201
Finance Expense – Financial Liabilities	10	(412)	(15)
Finance Expense – Unwinding of Discount on Provisions		(16)	(17)
Public Dividend Capital Dividends Payable	11	(1,725)	(570)
Net Finance Costs		(2,039)	(401)
		16,257	14,568
Other Comprehensive Income:			
Impairments		(1)	0
Revaluation Gain on Property, Plant and Equipment		0	0
Total Comprehensive Income and Expense for the Year		16,256	14,568

The notes on pages 145 to 174 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	31 March 2015 £000	31 March 2014 £000
Non-Current Assets:			
Intangible Assets	14	4,418	1,421
Property, Plant and Equipment	15	62,214	37,609
Trade and Other Receivables	18	135	21,924
Total Non-Current Assets		66,767	60,954
Current Assets:			
Inventories	17	1,527	1,398
Trade and Other Receivables	18	76,543	10,752
Cash and Cash Equivalents	19	36,048	37,425
Total Current Assets		114,118	49,575
Total Assets		180,885	110,529
Current Liabilities:			
Trade and Other Payables	21	(25,746)	(17,517)
Borrowings	23	(2,124)	(42)
Provisions	25	(2,372)	(1,242)
Other Liabilities	22	(10,681)	(2,348)
Total Current Liabilities		40,923	21,149
Total Assets Less Current Liabilities		139,962	89,380
Non-Current Liabilities			
Borrowings	23	(41,058)	(4,181)
Provisions	25	(754)	(2,549)
Other Liabilities	22	0	(1,259)
Total Assets Employed		98,150	81,391
Taxpayers' Equity:			
Public Dividend Capital		45,336	44,833
Income and Expenditure Reserve		51,725	35,450
Revaluation Reserve	15.2	1,089	1,108
Total Taxpayers' Equity		98,150	81,391

The financial statements on pages 141 to 174 were approved and actioned for issue by the Board on 22nd May 2015 and signed on its behalf by:

Signed: *Louise Shepherd* Louise Shepherd
Chief Executive
22nd May 2015

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public Dividend Capital (PDC)	Income and Expenditure Reserve	Revaluation Reserve	Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2013 (As Previously Stated)	43,893	20,861	1,129	65,883
Changes in Taxpayers' Equity For 2013/14				
Retained Surplus/(Deficit) For the Year	0	14,568	0	14,568
Transfer of Excess of Current Cost Depreciation Over Historical Cost Depreciation to the Income and Expenditure Reserve	0	21	(21)	0
Public Dividend Capital Received	940	0	0	940
Taxpayers' Equity at 31 March 2014	44,833	35,450	1,108	81,391
Changes in Taxpayers' Equity For 2014/15				
Retained Surplus/(Deficit) For the Year	0	16,257	0	16,257
Impairments and Reversals	0	0	(1)	(1)
Transfer of Excess of Current Cost Depreciation Over Historical Cost Depreciation to the Income and Expenditure Reserve	0	18	(18)	0
Public Dividend Capital Received	503	0	0	503
Taxpayers' Equity at 31 March 2015	45,336	51,725	1,089	98,150

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	Note	2014/15 £000	2013/14 £000
Cash Flows From Operating Activities:			
Operating Surplus/(Deficit) For the Year		18,296	14,969
Depreciation and Amortisation		5,810	5,679
Impairments		512	2,198
(Gain)/Loss on Disposal		6	102
Non-Cash Donations Credited to Income		(73)	(3,920)
Increase in Trade and Other Receivables		(44,082)	(22,225)
Increase in Inventories		(129)	(46)
Increase in Trade and Other Payables		3,527	1,801
Increase/(Decrease) in Other Liabilities		7,074	(2,585)
Decrease in Provisions	24	(681)	(1,615)
Net Cash Outflow From Operating Activities		(9,740)	(5,642)
Cash Flows From Investing Activities:			
Interest Received		114	201
Purchase of Intangible Assets	14	(2,941)	(848)
Payments for Property, Plant and Equipment	15	(26,323)	(14,727)
Sales of Property, Plant and Equipment and Investment Property		4	11
Net Cash Used in Investing Activities		(29,146)	(15,363)
Net Cash Inflow Before Financing		(38,886)	(21,005)
Cash Flows From Financing Activities:			
Public Dividend Capital Received		503	940
Loan Received From Independent Trust Financing Facility		39,000	4,000
Capital Element of Finance Leases		(41)	(40)
Interest Paid		(376)	0
Interest Element of Finance Leases		(7)	(9)
PDC Dividend Paid		(1,570)	(916)
Net Cash Inflow From Financing		37,509	3,975
		(1,377)	(17,030)
Cash and Cash Equivalents at the Beginning of the Financial Year	19	37,425	54,455
Cash and Cash Equivalents at the Beginning of the Financial Year		36,048	37,425

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2014/15 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies 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, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that management have made in the process of applying

the entity's accounting policies, together with the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Asset Valuation and Lives

The value and remaining useful lives of land and buildings have been estimated by DTZ Debenham Tie Leung Ltd. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The valuations were carried out during 2012/13 and were applied to the 31 March 2013 land and buildings values. Valuations are carried out using the Modern Equivalent Asset basis to determine the Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land and buildings at 31 March 2015 reflect the valuation indicated by DTZ Debenham Tie Leung Ltd given that the Trust has approval for the re-building of the hospital and most of the hospital buildings will be demolished during 2016/17.

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

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

Provisions

Pension provisions relating to former employees, including Directors, have been estimated using the life expectancy from the Government's actuarial tables.

Other legal claims provisions relate to employer and public liability claims and expected costs are advised by the NHS Litigation Authority.

Provision for Impairment of Receivables

A provision for the impairment of receivables has been made for amounts which are uncertain to be received from organisations at 31 March 2015. The provision is £716,000 (31 March 2014: £444,000) and includes a provision of £347,000 (31 March 2014: £277,000) against the Injury Costs Recovery debt. The recoverability of the Injury Costs Recovery debt has been assessed and as the level of debt has increased, the Trust has

fully provided for Injury Costs Recovery incidents that are over 10 years old. The balance of the Injury Costs Recovery NHS Injury Scheme debt has been provided for at 18.9% (31 March 2014: 15.8%) to reflect recoverability of more recent incidents.

Holiday Pay Accrual

The accrual for outstanding leave has been calculated on a sample basis.

For non-medical staff the amount of outstanding annual leave as at 31st March is requested from a representative sample from across the Trust. The accrual is then calculated on a pro-rata basis according to the numbers of staff within the sample compared to the total staff in post in March. The accrual is split between the various staff groups based on the results of the sample.

For consultants, the accrual is based on actual annual leave outstanding for those consultants who provided details and it is assumed that four days are outstanding for the consultants whose details were not available, being the average days from information received.

1.3 Income

Income is accounted for applying the accruals convention. The main source of income for the Trust is from commissioners in respect of healthcare services provided under local agreements. Income is recognised in the period in which the services are provided. Income is measured at the fair value of the consideration receivable. Income relating to partially completed spells is accounted for where there is a contractual obligation.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.4 Employee Benefits

Short-Term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. If annual leave is carried forward into the following year an accrual is included.

Pension Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pension website at www.nhsbsa.nhs.uk/

pensions. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

For early retirements other than those due to ill-health, the additional pension liabilities are not funded by the Scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Compensation for Early Retirement

Where a member of the Scheme is made redundant they may be entitled to early receipt of their pension plus enhancement, at the employer's cost.

1.5 Other Expenses

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

1.6 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:

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

anticipated to have simultaneous disposal dates and are under single managerial control; or

- items form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost. These are capitalised as a grouped equipment asset.

Valuation

All property, plant and equipment assets are shown at fair value. This is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are subsequently stated at the lower of replacement cost and the present value of the asset's remaining service potential.

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the existing use value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses. The Trust use professional valuers to inform its judgement of the revalued amount. Professional valuations have been carried out by DTZ Debenham Tie Leung Ltd, a market-leading real estate adviser, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The last valuations were undertaken in 2012 as at the valuation date of 1 November 2012 and were applied on 31 March 2013. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the year end date. Existing use values are determined as follows:

- Land and non-specialised buildings - market value for existing use.
- Specialised buildings - depreciated replacement cost.

The Existing Use Value approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design, with the same service potential as the existing asset. The modern equivalent may well be smaller than the existing asset, for example, due to technological advances in plant and machinery.

Valuations are reviewed annually.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but

not borrowing costs, which are recognised as expenses immediately, as stipulated by the Annual Reporting Manual 2014/15. Depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008, indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Increases arising on revaluation are recognised in the revaluation reserve except to the extent that they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income. A revaluation loss, caused by circumstances other than a clear consumption of economic benefit, is recognised as an impairment and charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to operating expenses. Impairments caused by a clear consumption of economic benefit are charged directly to operating expenses even where a revaluation reserve balance exists for the asset. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure restores the asset to its original specification assumed by its economic useful life then the expenditure is charged to operating expenses.

1.7 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights.

They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research activities is not capitalised, it is recognised as an operating expense in the period in which it is incurred.

As it cannot be demonstrated that the IAS38 criteria for capitalisation can be met, expenditure on development is not capitalised.

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.

Intangible assets acquired separately are initially recognised at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost.

1.8 Private Finance Initiative (PFI) Transactions

PFI transactions which meet the IFRIC12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on Statement of Financial Position" by the Trust. The PFI asset will be recognised as Property, Plant and Equipment when it is brought into use. Assets contributed (cash payments) by the Trust to the operator before the asset is brought into use, are recognised as prepayments during the construction phase of the contract.

1.9 Depreciation and Amortisation

Freehold land and properties under construction are not depreciated. Land is deemed to have an infinite life and properties under construction are only depreciated when they are brought into use. Otherwise, depreciation and amortisation are charged, on a straight-line basis, to write-off the costs or valuation

of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated remaining useful economic lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each period end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

Asset lives for property, plant and equipment are detailed below:

	Minimum Life Years	Maximum Life Years
Buildings Excluding Dwellings	1	75
Plant and Machinery	2	15
Transport Equipment	7	7
Information Technology	1	5
Furniture and Fittings	10	10

Intangible assets which comprise computer software have a minimum life of 1.5 years and maximum life of 5 years.

1.10 Non-Current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on the disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of

Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life adjusted. The asset is de-recognised when it is scrapped or demolished.

1.11 Revaluation and Impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease previously recognised in operating expenses, in which case they are recognised in operating income.

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

At each reporting period end, the Trust reviews the residual values and useful lives of its property, plant and equipment and intangible non-current assets. Equipment assets with a net book value of over £100,000 as at 31 March are reviewed for their carrying value and their remaining useful life. The carrying value of land and building is in line with the latest valuation carried out during 2012/13. If there are any indications of a clear consumption of economic benefits for any assets, then these assets would be impaired, with the impairment charged directly to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operation expense; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income 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.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive

Income as an item under 'other comprehensive income'.

1.12 Donated Assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to income. They are valued, depreciated, revalued and impaired as described above for purchased assets.

1.13 Leases

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

The Trust as Lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, discounted using the interest rate implicit in the lease, with a matching liability for the lease obligation to the lessor.

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

Lease payments are apportioned between finance charges and reduction in the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Where a lease is for land and buildings, the land and building components are separated. Leased buildings are assessed to determine whether they are operating or finance leases.

1.14 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks. In most cases, cost equates to direct purchase cost.

Net realisable value represents the estimated selling price less all the estimated costs to completion and selling costs to be incurred.

1.15 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.

1.16 Provisions

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 rate, except for early retirement provisions and injury benefit provisions, which both use the HM Treasury's pension discount rate of 1.3% in real terms (2013/14:1.8%).

The HM Treasury Discount Rates Are (With 2013/14 in Brackets):

Short Term	Cash Flows Between 0 and 5 Years	Rate is -1.50% (-1.90%)
Medium Term	Cash Flows Between 5 and 10 Years	Rate is -1.05% (-0.65%)
Long Term	Cash Flows Over 10 Years	Rate is 2.20% (2.20%)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

1.17 Clinical Negligence Costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to the Statement of Comprehensive Income. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 24 but is not recognised in the Trust's accounts.

1.18 Non-Clinical Risk Pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising.

The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

The Trust has also taken commercial insurance to cover property damage and business interruption.

1.19 Financial Assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through income and expenditure'; 'available for sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Trust only has loans and receivables.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

Interest is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment

losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in operating expenses and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

The Trust's loans and receivables comprise cash and cash equivalents, NHS receivables, receivables with related parties, accrued income and other receivables.

1.20 Financial Liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities 'at fair value through income and expenditure' or other financial liabilities. The Trust only has other financial liabilities.

Other Financial Liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability.

1.21 Value Added Tax

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

1.22 Foreign Currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the statement of financial position date. Resulting exchange gains and losses are recognised in the Trust's surplus or deficit for the period in which they arise.

1.23 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. The Trust has no third party assets at 31 March 2015.

1.24 Public Dividend Capital (PDC) and PDC Dividend

Public Dividend Capital 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 Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS32.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is paid over as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated at 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 excluding cash relating to a short-term working capital facility and any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as issuer of PDC), the dividend

for the year is calculated on the actual average relevant net assets as set out in the “pre-audit” version of the annual accounts. The dividend thus calculated is not revised should any adjustments to net assets occur as a result of the audit of the annual accounts.

1.25 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 the income statement on an accruals basis, including losses which would have been made good through insurance cover had Trusts not been bearing their own risks (with insurance premiums then being included as normal operating expenditure).

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.26 Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Contingent assets are not recognised as assets but are disclosed 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 the 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. Contingent liabilities are not recognised but are disclosed unless the possibility of a payment is remote.

1.27 Corporation Tax

The Trust has determined that it has no corporation tax liability as it does not carry out significant commercial activities that are not part of healthcare delivery.

1.28 Donations

Any donations received by an NHS Foundation Trust from a body or an individual which is not a government body and which does not result in the donating party having any financial interest in the NHS Foundation Trust are recognised as follows:

Donations received to support operating expenditure by the Foundation Trust are recognised in operating income when, and to the extent to which the conditions attached to them, e.g. incurring the expenditure, have been met.

1.29 Segmental Reporting

The Trust has adopted IFRS8 which requires disclosure of information to enable the users of the financial statements to evaluate the nature and financial effects of the business activities in which it engages. Where the Chief Operating Decision Maker uses information pertaining to operating segments to make decisions about allocation of resources and performance assessment, and where there is sufficient and appropriately discreet information available in this respect, disclosure of that information is made in the financial statements. Note 2 to the financial statements shows the financial reporting disclosures for segmental reporting.

1.30 Charitable Funds

Alder Hey Children’s Charity is governed by independent Trustees and has independent processes. The Trust does not have power to govern the financial and operating policies of the charitable fund and therefore the charity is not consolidated.

1.31 Standards and Interpretations in Issue Not Yet Adopted

The following standards have been issued but are not yet effective:

Change Published	Published by IASB	Financial Year For Which the Change First Applies
IFRS 9 Financial Instruments	October 2010	Not yet EU adopted. Expected to be effective from 2018/19
IFRS 13 Fair Value Measurement	May 2011	Adoption delayed by HM Treasury. To be adopted from 2015/16
IFRS 15 Revenue From Contracts With Customers	May 2014	Not yet EU adopted. Expected to be effective from 2017/18
IAS 19 (Amendment) - Recoverable Amount Disclosures	May 2013	To be adopted from 2015/16 (aligned to IFRS 13 adoption)
IAS 19 (Amendment) - Employer Contributions to Defined Benefit Pension Schemes	November 2013	Effective from 2015/16 but not yet EU adopted
IFRIC 21 - Levies	May 2013	EU adopted in June 2014 but not yet adopted by HM Treasury
Annual Improvements 2012	December 2013	Effective from 2015/16 but not yet EU adopted
Annual Improvements 2013	December 2013	Effective from 2015/16 but not yet EU adopted

None of these standards are expected to have a known significant impact on the Trust on adoption.

2. Operating Segments

The Trust has considered segmental reporting and the Chief Executive and the Board receive sufficient and appropriate high level information to enable the business to be managed effectively and to monitor and manage the strategic aims of the Trust. Sufficiently detailed information is used by middle and lower management to ensure effective management at an operational level. Neither of these are sufficiently discrete to profile operating segments, as defined by IFRS8, that would enable a user of these financial statements to evaluate the nature and financial effects of the business activities that this Trust undertakes. Therefore the Trust has decided that it has one operating segment for healthcare.

3. Income From Patient Care Activities

3.1 Income From Patient Care Activities Comprises:

	2014/15 £000	2013/14 £000
Elective Income	39,344	38,009
Non-Elective Income	27,777	24,608
Outpatient Income	26,384	21,675
A&E Income	4,791	4,426
Private Patient Income	94	22
Community and Mental Health	20,136	19,045
Critical Care	21,273	20,793
Drugs and Devices	16,805	14,555
Clinical Services	19,280	23,117
Other Clinical Income	5,178	3,317
Total Income From Activities	181,062	169,567

3.2 Income From Activities Comprises:

	2014/15 £000	2013/14 £000
NHS Foundation Trusts	3,413	3,339
NHS Trusts	412	319
Clinical Commissioning Groups and NHS England	161,457	150,756
Local Authorities	813	1,977
Department of Health	111	45
NHS Other:		
Welsh Health Specialist Commissioners	12,643	12,346
Other	0	6
Non-NHS:		
Private Patients	94	22
Overseas Patients (Chargeable to Patient)	0	0
NHS Injury Scheme	392	414
Other	1,727	343
Total	181,062	169,567

Injury cost recovery income is subject to a provision for impairment of receivables to reflect expected rates of collection. This amounts to £347,000 at 31 March 2015 (£277,000 at 31 March 2014).

3.3 Income From Activities Comprises:

	2014/15 £000	2013/14 £000
Commissioner Requested Services	112,180	103,895
All Other Services	68,882	65,672
Total	181,062	169,567

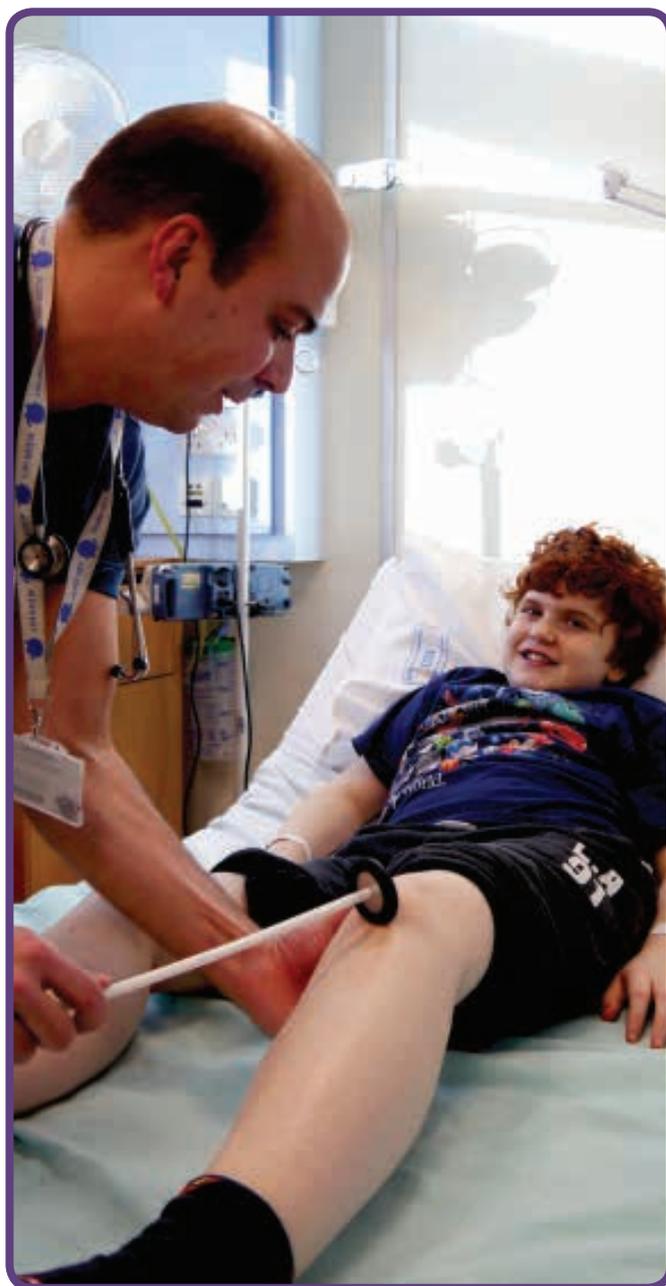


4. Other Operating Income

	2014/15 £000	2013/14 £000
Research and Development	3,796	4,065
Education and Training	8,659	9,049
Charitable Contributions to Expenditure	5,448	427
Other Contributions to Expenditure	3,714	3,847
Non-Patient Care Services to Other Bodies	79	34
Profit on Disposal of Other Tangible Fixed Assets	4	11
Car Parking	480	451
Clinical Excellence Awards	916	753
Catering	948	867
Government Programme For Information Technology	82	509
Funding for Project Costs For Alder Hey in the Park	4,199	2,980
Other Income	645	915
Total	28,970	23,908

The education and training income arises from the provision of mandatory education and training set out in the Trust's terms of authorisation.

Charitable contributions to expenditure include amounts given by Alder Hey Children's Charity to fund capital expenditure.



5. Operating Expenses

5.1 Operating Expenses

	2014/15 £000	2013/14 £000
Purchase of Healthcare From Non NHS Bodies	2	0
Employee Expenses – Executive Directors	1,018	953
Employee Expenses – Non-Executive Directors	134	126
Employee Expenses – Staff	126,984	115,653
Drug Costs	18,414	15,937
Supplies and Services - Clinical (Excluding Drug Costs)	17,281	16,183
Supplies and Services - General	3,042	3,324
Establishment	3,699	2,398
Research and Development*	1,197	965
Transport	87	105
Premises	8,816	9,251
Increase/(Decrease) in Provision For Impairment of Receivables	274	239
Depreciation on Property, Plant and Equipment	5,451	5,372
Amortisation of Intangible Assets	359	307
Impairments of Property, Plant and Equipment	512	2,176
Impairments of Intangible Assets	0	22
Audit Fees – Statutory Audit	74	74
Other Auditors Remuneration	95	0
Clinical Negligence	1,825	1,881
Loss on Disposal of Intangible Fixed Assets	0	62
Loss on Disposal of Other Property, Plant and Equipment	10	51
Legal Fees	385	482
Consultancy Costs	402	394
Training Courses and Conferences	585	343
Patient Travel	138	126
Car Parking and Security	411	409
Redundancy	0	159
Early Retirements	6	213
Insurances	207	195
Losses, Ex Gratia and Special Payments	97	225
Other	231	881
Total	191,736	178,506

*Research and development expenditure reflects payments to other organisations in respect of research contracts. Employee expenses – staff, include £2,221,000 (2013/14 £2,618,000) relating to research and development activities.

There is a £1,000,000 limited liability agreement in place with the external auditors, KPMG LLP.

5.2 Auditor's Remuneration

Payments were made to KPMG for Quality Governance Review, CQC facilitation, IT Network Support and Business Advice, totalling £95,000.

5.3 Managed Service Arrangements (MSA)

The Trust had four managed service arrangements being the outpatients ward, the modular ward, the hospital information system and the pathology managed service. The Trust has reviewed these leases against the criteria set out in IAS17 and has concluded that they do not meet the definition of a finance lease.

	2014/15 £000	2013/14 £000
Amounts Included Within Operating Expenses in Respect of MSA Transactions	3,701	4,250

The Trust is committed to making the following payments during the next year.

	Buildings		Other	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Schemes Which Expire:				
Within 1 Year	0	0	228	0
2nd to 5th Years (Inclusive)	2,266	2,266	205	1,318

6. Operating Leases

6.1 Payments Recognised as an Expense

	2014/15 £000	2013/14 £000
Minimum Lease Payments	9	9
Contingent Rents	0	0
Less Sublease Payments Received	0	0
Total	9	9

6.2 Total Future Minimum Lease Payments

	31 March 2015 £000	31 March 2014 £000
Payable:		
Not Later Than One Year	9	9
Between One and Five Years	0	9
After 5 Years	0	0
Total	9	18

The Trust held no operating leases in respect of land and buildings during 2014/15. Details of Managed Service Arrangements are disclosed in note 5.3.

7. Directors Remuneration

The aggregate amounts payable to directors were:

	2014/15 £000	2013/14 £000
Salary	835	756
Taxable Benefits	0	0
Employers Contributions to: National Insurance	100	92
Employers Pension: Contributions	83	105
Total	1,018	953

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

8. Employee Expenses and Numbers

8.1 Employee Expenses

	2014/15 £000	Permanently Employed £000	Other £000	2013/14 £000
Salaries and Wages	111,269	106,543	4,726	98,933
Social Security Costs	7,189	7,189	0	7,601
Employers Contributions to NHS Pension Scheme:				
Staff	10,751	10,751	0	10,310
Executive Directors	83	83	0	64
Other Pension Costs	0	0	0	0
Other Post-Employment Benefits	0	0	0	0
Termination Benefits	0	0	0	159
Employee Benefits Expense	129,292	124,566	4,726	117,067

8.2 Average Number of People Employed

	Total WTE	2014/15 Permanently Employed WTE	Other WTE	2013/14 Total £000 WTE
Medical and Dental	372	367	5	361
Administration and Estates	511	474	37	482
Health Assistants and Other Support Staff	376	341	35	359
Nursing, Midwifery and Health Visiting Staff	802	749	53	734
Scientific, Therapeutic and Technical Staff	518	506	12	489
Other	37	37	0	30
Total	2,616	2,474	142	2,455

Of the above 18 WTE staff engaged on capital projects (5 2013/14).



8.3 Other Compensation Schemes – Exit Packages

Exit Packages Agreed in 2014-15

There were no exit packages agreed in 2014/15.

Exit Packages Agreed in 2013-14

Exit Package Cost Band (Including Any Special Payment Element)	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	2013-14		Total Number of Exit Packages	Total Cost of Exit Packages £000
			Number of Other Departures Agreed	Cost of Other Departures Total Number £0000		
< £10,000	0	0	10	30	10	30
£10,001 - £25,000	0	0	2	28	2	28
£25,001 - £50,000	1	42	2	59	3	101
Total Number of Exit Packages By Type (total cost)	1	42	14	117	15	159

8.4 Exit Packages: Other (Non-Compulsory) Departure Payments – 2014/15

There were no exit packages agreed in 2014-15.

Exit Packages Agreed in 2013-14

Exit Package	Payments Agreed Number	Total Value of Agreements £000
Voluntary Redundancies Including Early Retirement Contractual Costs	0	0
Mutually Agreed Resignations (MARS) Contractual Costs	14	117
Contractual Payments in Lieu of Notice	0	0
Exit Payments Following Employment Tribunals or Court Orders	0	0
Non-Contractual Payments Requiring HMT Approval	0	0
Total	14	117

8.5 Retirements Due to Ill-Health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. There were five retirements at a value of £248,000 in 2014/15 (none in 2013/14). These costs are borne by NHS Pensions. This information has been supplied by NHS Pensions.

8.6 Pension Scheme

Pension Costs

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

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:

Accounting Valuation

A valuation of the scheme liability is carried out annually by the scheme actuary 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on the valuation data as 31 March 2014, updated to 31 March 2015 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

Full Actuarial (Funding) Valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience) and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

Scheme Provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

9. Finance Income

	2014/15 £000	2013/14 £000
Interest Income:		
Bank Accounts	114	201
Other Loans and Receivables	0	0
Impaired Financial Assets	0	0
Other Financial Assets	0	0
Total	114	201

10. Finance Expense

	2014/15 £000	2013/14 £000
Interest Expense:		
Finance Leases	7	9
Loans From Independent Trust Financing Facility	405	6
Total	412	15

11. Public Dividend Capital Dividend

The Trust is required to pay a dividend to the Department of Health of £1,725,000. This represents 3.5% of the average net relevant assets of £49,289,000.

12. Losses and Special Payments

NHS Foundation Trusts are required to record payments and other adjustments that arise as a result of losses and special payments.

	2014/15 Total Number of Cases	2014/15 Total Value of Cases £000	2013/14 Total Number of Cases	2013/14 Total Value of Cases £000
Losses:				
Losses of Cash				
- Theft or Fraud	0	0	0	0
- Overpayment of Salaries	0	0	31	17
- Other Causes	2	2	0	0
Bad Debts and Claims Abandoned in Relation to:				
- Private Patients	3	0	10	2
- Other Bad Debts	18	2	35	2
- Stores Losses	0	0	1	26
Total Losses	23	4	77	47
Special Payments				
Ex Gratia Payments	35	146	57	221
Total Special Payments	35	146	57	221
Total	58	150	134	268

13. Impairment of Assets

	2014/2015 £000	2013/2014 £000
Tangible Assets Impairment	512	2,176
Intangible Assets Impairment	0	22
Impairment Charged to Operating Expenses	512	2,198
Tangible Impairment Charged to Revaluation Reserve	1	0
Total Impairment – Change in Value in Use	513	2,198

Final approval for the building of Alder Hey in the Park was received during March 2013 and the PFI contract was signed on 21st March 2013. Consequently, the Trust's buildings have been impaired to reflect planned demolition or disposal.

14. Intangible Assets

2014/15	Computer Software Purchased £000	Intangible Assets Under Construction £000	Total £000
Cost at 1 April 2014	2,080	547	2,627
Additions	84	3,272	3,356
Reclassifications	102	(102)	0
Disposals	(277)	0	(277)
Gross Cost at 31 March 2015	1,989	3,717	5,706
Amortisation at 1 April 2014	1,206	0	1,206
Provided During the Year	359	0	359
Disposals	(277)	0	(277)
Amortisation at 31 March 2015	1,288	0	1,288
Net Book Value:			
Purchased	701	3,717	4,418
Donated	0	0	0
Total at 31 March 2015	701	3,717	4,418

14. Intangible Assets (cont'd)

2013/14	Computer Software Purchased £000	Intangible Assets Under Construction £000	Total £000
Cost at 1 April 2013	1,667	162	1,829
Additions	376	547	923
Impairment Charged to Operating Expenses	(22)	0	(22)
Reclassifications	162	(162)	0
Disposals	(103)	0	(103)
Gross Cost at 31 March 2014	2,080	547	2,627
Amortisation at 1 April 2013	940	0	940
Charged During the Year	307	0	307
Disposals	(41)	0	(41)
Amortisation at 31 March 2014	1,206	0	1,206
Net Book Value:			
Purchased	874	547	1,421
Donated	0	0	0
Total at 31 March 2014	874	547	1,421

There is no balance in the Revaluation Reserve in respect of intangible assets.

15. Property, Plant and Equipment

15.1 Property, Plant and Equipment

2014/15	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/ Gross Cost at 1 April 2014 – Brought Forward	4,184	13,132	0	13,041	23,633	31	6,457	194	60,672
Additions Purchased	0	241	152	20,379	835	0	62	0	21,669
Additions Donations of Physical Assets (Non-Cash)	0	0	0	0	73	0	0	0	73
Additions Grants/ Donations of Cash to Purchase Assets	0	0	0	8,486	351	0	0	0	8,837
Impairments Charged to Operating Expenses	0	(219)	0	0	(215)	0	(71)	(7)	(512)
Impairment Charged to the Revaluations Reserve	0	0	0	0	(1)	0	0	0	(1)
Re- classifications	0	177	0	(235)	58	0	0	0	0
Disposals	0	0	0	0	(704)	(31)	(303)	0	(1,038)
Valuation/ Gross Cost at 31 March 2015	4,184	13,331	152	41,671	24,030	0	6,145	187	89,700
Accumulated Depreciation at 1st April 2014	0	2,398	0	0	16,013	25	4,505	122	23,063
Charged During the Year	0	2,636	0	0	1,844	4	949	18	5,451
Disposals	0	0	0	0	(696)	(29)	(303)	0	(1,028)
Accumulated Depreciation at 31 March 2015	0	5,034	0	0	17,161	0	5,151	140	27,486
Net Book Value:									
Purchased	4,184	4,581	152	32,987	5,347	0	979	32	48,262
Finance Leased	0	0	0	0	173	0	0	0	173
Donated	0	3,716	0	8,684	1,349	0	15	15	13,779
Total at 31 March 2015	4,184	8,297	152	41,671	6,869	0	994	47	62,214

15.1 Property, Plant and Equipment (cont'd)

2013/14	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Transport Equipment £000	Information Technology £000	Furniture and Fittings £000	Total £000
Valuation/ Gross Cost at 1 April 2013 – Brought Forward	4,184	9,174	0	881	22,699	31	6,353	191	43,513
Additions Purchased	0	2,116	0	12,963	945	0	134	12	16,170
Additions Donations of Physical Assets (Non-Cash)	0	3,810	0	0	23	0	87	0	3,920
Additions Grants/ Donations of Cash to Purchase Assets	0	0	0	0	0	0	0	0	0
Impairments Charged to Operating Expenses	0	(2,005)	0	0	(10)	0	(152)	(9)	(2,176)
Impairment Charged to the Revaluations Reserve	0	0	0	0	0	0	0	0	0
Re- classifications	0	37	0	(803)	546	0	220	0	0
Disposals	0	0	0	0	(570)	0	(185)	0	(755)
Valuation/ Gross Cost at 31 March 2014	4,184	13,132	0	13,041	23,633	31	6,457	194	60,672
Accumulated Depreciation at 1st April 2013	0	0	0	0	14,662	21	3,607	105	18,395
Charged During the Year	0	2,398	0	0	1,907	4	1,046	17	5,372
Disposals	0	0	0	0	(556)	0	(148)	0	(704)
Accumulated Depreciation at 31 March 2014	0	2,398	0	0	16,013	25	4,505	122	23,063
Net Book Value:									
Purchased	4,184	6,760	0	13,041	5,950	6	1,908	54	31,903
Finance Leased	0	0	0	0	216	0	0	0	216
Donated	0	3,974	0	0	1,454	0	44	18	5,490
Total at 31 March 2014	4,184	10,734	0	13,041	7,620	6	1,952	72	37,609

The PFI contract for Alder Hey in the Park is not included here as it is not a capital purchase. It is accounted for as a prepayment until the asset is complete and handed over to the Trust. This is in line with Note 1.8.

15.2 Net Book Value of Property, Plant and Equipment in the Revaluation Reserve

	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Transport Equipment £000	Information Technology £000	Furniture and Fittings £000	Total £000
1 April 2013	0	1,122	0	0	6	0	0	0	1,128
Movement 2013/14	0	(17)	0	0	(3)	0	0	0	(20)
31 March 2014	0	1,105	0	0	3	0	0	0	1,108
Movement 2014/15	0	(17)	0	0	(2)	0	0	0	(19)
31 March 2015	0	1,088	0	0	1	0	0	0	1,089

16. Capital Commitments

Contracted capital commitments at 31 March 2015 not otherwise included in these financial statements:

	31 March 2015 £000	31 March 2014 £000
Property, Plant and Equipment	7,452	16,138
Intangible Assets	814	17
Total	8,266	16,155

Contracted capital commitments relate to capital items/work which has been ordered but not received at 31 March 2015. This includes the Outpatient new build and the Research and Education building.

The PFI contract for Alder Hey in the Park is not included here as it is not a capital purchase. It is accounted for as a prepayment until the asset is complete and handed over to the Trust. This is in line with Note 1.8. The asset will be added to property, plant and equipment on the statement of financial position in 2015/16 resulting in a reduction in prepayments.

17. Inventories

17.1 Inventories

	31 March 2015 £000	31 March 2014 £000
Drugs	847	736
Consumables	614	585
Energy	66	77
Total	1,527	1,398
Of Which Held at Net Realisable Value:	0	0

17.2 Inventory Movements

	2014/15 £000	2013/14 £000
Carrying Value 1 April 2014	1,398	1,352
Additions	17,432	14,426
Inventories Recognised in Expenses	(17,303)	(14,354)
Write Down of Inventories	0	(26)
Carrying Value 31 March 2015	1,527	1,398

18. Trade and Other Receivables

18.1 Trade and Other Receivables

	Current 31 March 2015 £000	Non Current 31 March 2015 £000	Current 31 March 2014 £000	Non Current 31 March 2014 £000
NHS Receivables	7,849	0	2,064	0
Other Receivables With Related Parties – Revenue	1,226	0	1,606	0
Provision For Impaired Receivables	(716)	0	(444)	0
Prepayments (Non PFI)	3,569	135	3,389	209
PFI Prepayments – Capital Contributions	57,763	0	0	21,715
Accrued Income	4,007	0	1,681	0
PDC Dividend Receivable	0	0	80	0
VAT Receivable	812	0	1,140	0
Other Receivables – Revenue	2,033	0	1,236	0
Total	76,543	135	10,752	21,924

18.2 Ageing of Impaired Receivables

	31 March 2015 £000	31 March 2014 £000
Up to 3 months From Invoice Date	81	29
In 3 to 6 Months From Invoice Date	73	30
Over 6 Months From Invoice Date	562	385
Total	716	444

18.3 Receivables Past Their Due Date But Not Impaired

	31 March 2015 £000	31 March 2014 £000
By Up to 3 Months	6,600	1,497
By 3 to 6 Months	0	88
By More Than 6 Months	7	14
Total	6,607	1,599

Receivables are not impaired until amounts are uncertain to be received – usually when debtors indicate that there is a query.

18.4 Provision for Impairment of Receivables

	31 March 2015 £000	31 March 2014 £000
Balance at Start of Year	444	326
Increase in Provision	280	255
Amount Utilised	(2)	(121)
Unused Amounts Reversed	(6)	(16)
Balance at 31 March 2015	716	444

Provision for impairment of receivables is made where amounts are past due and are uncertain to be received. Usually the debtors have indicated that the charge is queried or that payment may not be made. The provision includes £347,000 of Injury Cost Recovery debt to reflect expected rates of collection.

19. Cash and Cash Equivalents

	31 March 2015 £000	31 March 2014 £000
Balance at Start of Period	37,425	54,455
Net Change in Year	(1,377)	(17,030)
Balance at End of Period	36,048	37,425
Made Up Of:		
Cash at Commercial Banks and In Hand	98	51
Cash with Government Banking Service	35,950	37,374
Cash and Cash Equivalents as in Statement of Financial Position	36,048	37,425
Bank Overdraft	0	0
Cash and Cash Equivalents as in Statement of Cash Flows	36,048	37,425

20. Non-Current Assets Held for Sale

The Trust has no assets held for sale at 31 March 2015 (none at 31 March 2014).

21. Trade and Other Payables

	Current 31 March 2015 £000	Current 31 March 2014 £000
NHS Payables	3,340	3,759
Amounts Due to Other Related Parties	4,273	3,840
Other Trade Payables – Capital	7,122	2,524
Other Trade Payables – Revenue	2,788	1,893
Other Payables	1,876	1,777
Accruals	6,272	3,724
PDC Dividend Payable	75	0
Total	25,746	17,517

22. Other Liabilities

	Current 31 March 2015 £000	Current 31 March 2014 £000	Non Current 31 March 2015 £000	Non Current 31 March 2014 £000
Deferred Income	10,681	2,348	0	1,259
Other	0	0	0	0
Total	10,681	2,348	0	1,259

23. Borrowings

	31 March 2015 £000	31 March 2014 £000
Current:		
- Obligations Under Finance Lease	43	42
- Loans From Independent Trust Financing Facility	2081	0
Total Current Borrowings	2,124	42
Non-Current:		
- Obligations Under Finance Lease	139	181
- Loans From Independent Trust Financing Facility	40,919	4,000
Total Non-Current Borrowings	41,058	4,181

The Independent Trust Financing Facility Loan is for equipment for the new build.

24. Provisions

	Current 31 March 2015 £000	Current 31 March 2014 £000	Non Current 31 March 2015 £000	Non Current 31 March 2014 £000
Pensions Relating to Former Directors	10	10	21	30
Pensions Relating to Former Staff	88	87	733	759
Legal Claims	164	216	0	0
Other	2,110	929	0	1,760
Total	2,372	1,242	754	2,549

Other provisions include £2.1m of expenditure commitment for Alder Hey in the Park.



24. Provisions (cont'd)

Movement in Current and Non-Current Provisions	Pensions Relating to Former Directors £000	Pensions Relating to Other Staff £000	Legal Claims £000	Other £000	Total £000
At 1 April 2013	48	671	181	4,489	5,389
Change in Discount Rate	1	37	0	0	38
Arising During the Year	0	198	219	4	421
Used During the Year – Accruals	0	0	0	(594)	(594)
Used During the Year – Cash	(10)	(72)	(161)	(1,210)	(1,453)
Reversed Unused	0	(4)	(23)	0	(27)
Unwinding of Discount	1	16	0	0	17
At 31 March 2014	40	846	216	2,689	3,791
At 1 April 2014					
Change in Discount Rate	0	33	0	0	33
Arising During the Year	0	6	123	0	129
Used During the Year – Accruals	0	0	0	0	0
Used During the Year – Cash	(10)	(79)	(140)	(579)	(808)
Reversed Unused	0	0	(35)	0	(35)
Unwinding of Discount	1	15	0	0	16
At 31 March 2015	31	821	164	2,110	3,126
Expected Timing of Cash Flows:					
- Within 1 Year	10	88	164	2,110	2,372
- Between 1 and 5 Years	21	269	0	0	290
- After 5 Years	0	464	0	0	464
	31	821	164	2,110	3,126

Pensions for former employees have been estimated using life expectancy from the Government's actuarial tables.

Legal claims relate to third party and employer liability claims and have been estimated by the NHS Litigation Authority. It is expected that these claims will be settled in the next year.

£38,411,466 (£28,455,204 at 31 March 2014) is included in the provisions of the NHS Litigation Authority at 31 March 2015 in respect of clinical negligence liabilities of the Trust.

25. Contingent Liabilities

The Trust has no contingent liabilities.

26. Related Party Transactions

Alder Hey Children's NHS Foundation Trust is a public interest body authorised by Monitor, the Independent Regulator for NHS Foundation Trusts.

During the period none of the Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any transactions with Alder Hey Children's NHS Foundation Trust.

The Department of Health is regarded as a related party. During the period Alder Hey Children's NHS Foundation Trust has had a significant number of transactions with the Department, and with other entities for which the Department is regarded as the parent Department. The transactions relate mainly to the provision of healthcare services and purchase of services in the ordinary course of business.

26. Related Party Transactions (cont'd)

The entities are:

	Income	Expenditure	Receivables	Payables	Impairment Recognised As Expense
	£000	£000	£000	£000	£000
Central Manchester University Hospitals NHS Foundation Trust	1,535	841	62	105	0
Liverpool Womens Hospital NHS Foundation Trust	1,072	459	465	94	21
Stockport NHS Foundation Trust	4	501	1	10	0
Warrington and Halton Hospitals NHS Foundation Trust	115	356	20	54	0
Royal Liverpool and Broadgreen University Hospitals NHS Trust	1,136	477	13	151	0
St Helens and Knowsley Hospitals NHS Trust	102	214	22	471	0
NHS Eastern Cheshire CCG	125	0	24	0	0
NHS Halton CCG	1,052	0	0	139	0
NHS Knowsley CCG	6,438	0	0	497	0
NHS Liverpool CCG	28,900	0	0	535	0
NHS South Cheshire CCG	606	0	1	0	0
NHS South Sefton CCG	8,510	0	0	258	0
NHS Southport and Formby CCG	2,214	0	104	0	0
NHS St Helens CCG	2,759	0	75	0	0
NHS Vale Royal CCG	391	0	48	0	0
NHS Warrington CCG	1,116	0	0	133	0
NHS West Cheshire CCG	1,065	0	78	0	0
NHS West Lancashire CCG	1,302	0	0	60	0
NHS Wigan Borough CCG	654	0	6	0	0
NHS Wirral CCG	2,040	0	108	0	0
Health Education England	8,609	0	5	0	0
Department of Health: Core Trading and NHS Supply Chain (Excluding PDC Dividend)	2,037	7	2	4	0
NHS Litigation Authority	0	1,981	0	6	0
NHS England – Core	4,856	45	207	0	0
Cheshire, Warrington and Wirral Area Team	99,596	0	5,371	0	0
Merseyside Area Team	2,110	0	75	0	0
NHS Blood and Transplant	0	848	0	15	0
All Other NHS Bodies	4,516	2,842	1,162	898	0

26. Related Party Transactions (cont'd)

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local government bodies. Most of these transactions have been with:

	Income	Expenditure	Receivables	Payables	Impairment Recognised As Expense
	£000	£000	£000	£000	£000
Liverpool City Council	582	456	151	8	0
Welsh Assembly Government (Including All Other Welsh Health Bodies)	12,900	92	972	27	0
National Insurance Fund (Employer Contributions Only – Revenue Expenditure)	0	7,189	0	1,251	0
NHS Pension Scheme (Own Staff Employers Contributions Only Plus Other Invoiced Charges)	0	10,835	0	1,585	0
HM Revenue and Customs – VAT	0	0	812	4	0
HM Revenue and Customs – Other Taxes and Duties (Including o/s PAYE Creditor)	0	0	0	1,210	0
NHS Professionals	0	2180	0	334	0
Other WGA Bodies	356	66	78	2	0

The Trust has a number of transactions with Edge Hill University. Steve Igoe, Non-Executive Director is the Pro Vice-Chancellor for Resources of the University. £21,000 was incurred in expenditure during 2014/15. Outstanding receivables at 31 March 2015 were £25,000 whilst outstanding payables were £13,000.

Alder Hey Children's Charity has independent Trustees with effect from 1 April 2011. At 31 March 2015 the amount due to the Charity was £6,000. During the period, the Trust has received £5,448,000 from the Charity.

In 2012/13 Liverpool Health Partners Ltd, a company limited by guarantee, was set up between The University of Liverpool, Aintree University Hospital NHS FT, Alder Hey Children's NHS FT, Clatterbridge Cancer Centre NHS FT, Royal Liverpool and Broadgreen Hospitals NHS Trust, Liverpool Women's NHS FT, The Walton Centre NHS FT, Liverpool Heart and Chest NHS FT and Liverpool School of Tropical Medicine. The objects of the company are to advance education, health, learning and research by facilitating world class

research among the partners. Each organisation has a single share in the company and the chief executives are ex-office directors of the company. A grant of £80,000 (£80,000 2013/14) was made to the company to enable it to carry out its objectives.

Other related parties arising from Ministers and other senior DH officials include British Telecom - expenditure £143,000 and outstanding payables of £10,000 and Medicines and Healthcare Products Regulatory Agency - expenditure £1,000 during the year.

Transactions with related parties are on a normal commercial basis.

27. Post Balance Sheet Events

The Trust will move into the new hospital building in 2015/16. The PFI will then be an asset on the statement of financial position.

28. Financial Instruments

28.1 Financial Assets

	Loans and Receivables 31 March 2015 £000	Loans and Receivables 31 March 2014 £000
Trade and Other Receivables	15,211	7,283
Cash and Cash Equivalents	36,048	37,425
Other Financial Assets	0	0
Total at 31 March 2015	51,259	44,708

28.2 Financial Liabilities

	31 March 2015 £000	31 March 2014 £000
Trade and Other Payables	23,285	15,272
Obligations Under Finance Lease	182	223
Borrowings Excluding Obligations Under Finance Lease	43,000	4,000
Provisions Under Contract	0	0
Total at 31 March 2014	66,467	19,495

28.3 Maturity of Financial Liabilities

	31 March 2015 £000	31 March 2014 £000
In 1 Year or Less	25,409	15,314
In More Than 1 Year But Not More Than 2 years	2,126	424
In More Than 2 Years But Not More Than 5 years	6,337	1,280
In More Than 5 Years	32,595	2,477
	66,467	19,495

28.4 Financial Risk Management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with clinical commissioning groups and the way those clinical commissioning groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

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

The Trust performs cash flow forecasts to identify any potential risks and this has not highlighted any shortfalls.

Liquidity Risk

Alder Hey Children's NHS Foundation Trust net operating costs are incurred under legally binding contracts with local clinical commissioning groups (CCGs). The Trust receives regular monthly payments from CCGs based on an agreed contract value with adjustments made for actual services provided.

The Trust finances its capital expenditure from internally generated funds or Public Dividend Capital made available by the Department of Health. The Trust is therefore not exposed to significant liquidity risks

Interest Rate Risk

All of the Trust's financial assets carry nil or fixed rates of interest. The Trust is not exposed to significant interest rate risk.

Foreign Currency Risk

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

Price Risk

The contracts from NHS commissioners in respect of healthcare services have a pre-determined price structure which negates the risk of price fluctuation.

Credit Risk

The contracts from NHS commissioners in respect of healthcare services are agreed annually and take into account commissioners' ability to pay and hence the credit risk is minimal.





Famous first...

Alder Hey became one of the first NHS Trusts First University Institute of Child Health in the UK.

Alongside the new hospital, Alder Hey is building a new Research and Education Centre set to be completed in 2015. The new facility will allow University of Liverpool researchers to develop safer, better medicines for children for use by the NHS and throughout the world. It will also help give children in the North West greater access to emerging life-saving technologies and provide world-class facilities to continue to attract outstanding researchers to Liverpool.

Independent Auditor's Report to the Council of Governors of Alder Hey Children's NHS Foundation Trust Only

Opinions and Conclusions Arising From Our Audit

1. Our Opinion on the Financial Statements is Unmodified

We have audited the financial statements of Alder Hey Children's NHS Foundation Trust for the year ended 31 March 2015 set out on pages 165 to 168. In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2015 and of the Trust's income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

2. Our Assessment of Risks of Material Misstatement

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had

the greatest effect on our audit were as follows:

NHS Income recognition £181m

Refer to Page 71 (Audit Committee Report), Page 31 (Accounting Policy) and Pages 165 to 168 (Financial Disclosures)

The risk: The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners, which make up 90% of income from activities. The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that Intra NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between receivable and payable and income and expenditure balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements. For these financial statements the Trust identifies the specific cause, and accounts for the expected future resolution, of each individual difference. Mismatches can occur for a number of reasons, but the most significant arise where:

- the Trust and commissioners record different accruals for completed periods of healthcare which have not yet been invoiced;
- income relating to partially completed period of healthcare is apportioned across the financial years and the commissioners and the Trust make different apportionment assumptions;

- accruals for out-of-area treatments not covered by direct contracts with commissioners, but authorised by, for example, GPs on behalf of commissioners, are not recognised by commissioners; or
- there is a lack of agreement over proposed contract penalties for sub-standard performance.

Where there is a lack of agreement, mismatches can also be classified as formal disputes and referred to NHS England Area Teams for resolution.

We do not consider NHS income to be at high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to its materiality in the context of the financial statements as a whole NHS income is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

The testing we undertook was as follows:

- We compared the actual income for the Trust's most significant commissioners against the block contracts agreed at the start of the year and confirmed the validity of any significant variations between the actual income and the contract.
- We reviewed the confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant receivables recorded in the Trust's financial statements to the payable balances recorded within the accounts of commissioners.
- For estimated accruals relating to completed periods of healthcare disputed by commissioners, comparing a sample of accruals to the invoice raised in the new financial year and checking evidence of payment or acceptance.

3. Our Application of Materiality and an Overview of the Scope of Our Audit

The materiality for the financial statements was set at £3.8 million, determined with reference to a benchmark of income from operations (of which it represents 1.8%). We consider income from operations to be more stable than a surplus-related benchmark.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £190,000, in addition to other identified misstatements that warrant reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed at the Trust's headquarters in Liverpool.

4. Our Opinion on Other Matters Prescribed by the Audit Code for NHS Foundation Trusts is Unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5. We Have Nothing to Report in Respect of the Matters on Which We Are Required to Report by Exception

Under ISAs (UK&I) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading. In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy; or
- the Audit Committee report does not appropriately address matters communicated by us to the Audit Committee.

Under the Audit Code for NHS Foundation Trusts we are required to report to you if in our opinion:

- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15, is

misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

- the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

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

Certificate of Audit Completion

We certify that we have completed the audit of the accounts of Alder Hey Children's NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Our certificate is qualified in accordance with paragraph 5.12 of the Audit Code as:

Whilst we have issued a limited assurance opinion in relation to the content of the quality report and one of the mandated indicators, maximum waiting time of 62 days form urgent GP referral to fists treatment for all cancers, we have not issued an opinion in relation to the Trust's other mandated indicator, percentage of incomplete pathways within 18 weeks for patients on incomplete pathways.

Respective Responsibilities of the Accounting Officer and Auditor

As described more fully in the Statement of Accounting Officer's Responsibilities on page 149 the accounting officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

Scope of an Audit of Financial Statements Performed in Accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, 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 Council of Governors of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

A Latham

Amanda Latham
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 St Peter's Square
Manchester M2 3AE

Independent Auditor's Report to the Council of Governors of Alder Hey Children's NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Alder Hey Children's NHS Foundation Trust to perform an independent assurance engagement in respect of Alder Hey Children's NHS Foundation Trust's Quality Report for the year ended 31 March 2015 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicator for the year ended 31 March 2015 subject to limited assurance consists of the following national priority indicator:

- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

We refer to this national priority indicator as the 'indicator'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the Detailed Guidance for External Assurance on Quality Reports 2014/15 ('the Guidance'); and
- the indicator in the Quality Report identified as having been the subject of limited assurance in the Quality Report is not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- board minutes for the period April 2014 to April 2015
- papers relating to quality reported to the board over the period April 2014 to April 2015
- feedback from Commissioners, dated 21st May 2015
- feedback from governors, dated 19th May 2015
- feedback from local Healthwatch organisations, dated 21st May 2015
- the Trust's 2014 complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey;
- the latest national staff survey;
- Care Quality Commission Intelligent Monitoring Reports for 2014/15; and
- the Head of Internal Audit's annual opinion over the trust's control environment, dated March 2015.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Alder Hey Children's NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2015, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Alder Hey Children's NHS

Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator
- making enquiries of management
- testing key management controls
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report.
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by Alder Hey Children's NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2015:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicator in the Quality Report subject to limited assurance has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester, M2 3AE

28 May 2015



Famous first...

Alder Hey was the first hospital to use 'Liquid Glass' to clean toys and devices.

The new hospital, together with the Research and Education Centre, will improve healthcare for children everywhere. Already the hospital is attracting attention from across the world. A hospital in the park provides children and young people with the best possible healing environment, together with access to safe indoor and outdoor play areas, plenty of natural light and views across the whole park.

Alder Hey in the Park will be more than just a hospital. It will play a vital role in the health of children and young people for years to come.

Alder Hey
Children's Charity

WELCOME TO

The Land of
Remarkable
people



Alder Hey Children's 
NHS Foundation Trust

If you would like any more information about any of the details in this report, please contact:

By post: Alder Hey Children's NHS Foundation Trust, Eaton Road, Liverpool, L12 2AP

By telephone: 0151 228 4811

By email: communications@alderhey.nhs.uk

www.alderhey.nhs.uk