



Healthier Futures

Outstanding Care

Stronger Together

Annual Report  
& Accounts  
2021/22





Alder Hey Children's  
NHS Foundation Trust

# Annual Report & Accounts 2021/22

Presented to Parliament pursuant to Schedule  
7, paragraph 25 (4) (a) of the National Health  
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VFM Certificate  
P173



## Sumaya's Story

Alder Hey remains focused on restoring services for children and young people and ensuring that all children and young people have access to the care they need. The Trust has a programme of work which focusses on reducing waiting time for elective surgery. We have also taken part in 'Super Saturday' as Part of the National Paediatric Accelerator Programme, putting on extra clinics on a Saturday as part of a drive to address backlogs caused by the COVID-19 pandemic disruption.



Mum Carly said:

“

We've waited for this appointment for a while and it was great to get her X-Ray done today as well. Even better that it's on a Saturday and she doesn't need to miss school and I don't need to take time off work!

”

Six year old Sumaya came to see Spinal Surgeon Mr Mohamed for back pain at a weekend clinic.



## Zack's Story

To help protect our staff, patients and families from the virus our Vaccination Team delivered primary and booster doses of the COVID-19 vaccine both onsite at our Hospital and in partnership with external vaccination hubs.



Twelve year old Zack dropped into the Clinic for his vaccination and said:

“

I just want to be safe for Christmas and spend time with all the family, because that's what Christmas is all about.

”



# A Message from Our Chair and Chief Executive



## Welcome to Alder Hey's Annual Report for 2021/22.

It has been another year of high achievement for us which we hope is reflected in this document, that seeks both to chronicle and to pay tribute to the huge effort that has been made by the whole organisation in the face of ongoing and unprecedented challenges for the NHS.

When we signed off our welcome last year, it was with a commitment to play our part in addressing the lasting and devastating impact of the pandemic upon the lives of children and young people, not least on their mental health – and we continued to see those needs increase dramatically during the last 12 months. These pages aim to describe how our amazing teams have risen to that challenge and made a difference across many of our services and more widely through partnerships and collaborations with other organisations – truly 'stronger together'.

During the second year of the COVID-19 pandemic we used all that we had learned to continue to adapt and respond to the still fluid situation. We maintained hybrid working and our focus on scrupulous infection prevention and control measures in order to keep children, young people and families and our staff safe, as different variants of the virus emerged and the vaccination programme was rolled out. We swiftly focused on the need to ensure that those children and young people who had to wait for treatment during 2020/21 were given the access to care that they needed. We also developed new approaches to meeting the unceasing upward demand for the services of our Emergency Department, including the introduction of an online symptom checker to reassure and signpost worried parents to the right place for their child; since its introduction in December 2021 this has been accessed many thousands of times.

Through all of this extraordinary activity we were acutely aware of the relentless pressure that our staff were under in striving to deliver more every day. In recognition, we increased our investment in and focus on our Staff Support Programme, underpinned by our award winning SALS. Our BAME Taskforce made a significant contribution to this, including the launch of new staff networks and in the coming year is widening its lens to take on the full equality, diversity and inclusion remit on behalf of the Board.

We cannot overstate how proud we are of the entire Alder Hey family; in the last two years perhaps more than ever, we have seen countless examples of our staff doing exceptional things to make sure that children, young people and families receive the care they need. We dedicate this report to all of them and commend it to you.

*Jo Williams*

**DAME JO WILLIAMS**  
Chair

*Louise Shepherd*

**LOUISE SHEPHERD CBE**  
Chief Executive

“  
We cannot overstate how proud we are of the entire Alder Hey family  
”





## Emma's Story



Our Alder Centre, the first and only purpose-built dedicated child bereavement centre, was officially opened in September by Emma Weaver, her family and former MP Antoinette Sandbach.

Funded by Alder Hey Children's Charity including £1m LIBOR funding, the Centre is 'a place like no other' and provides a whole host of new and varied therapeutic services for bereaved families and hospital staff.

Emma,  
who used the Alder  
Centre services after she lost  
her daughter Georgie in  
May 2014, said:

“ The Alder Centre played a huge part in helping us come to terms with our grief and heartache in the early days after Georgie died...Being asked to open the new Alder Centre has been such an unexpected honour and privilege. It means so very much to our family to be asked to attend and be part of the event. We are very proud of Jess for all she does to keep Georgie's memory alive. ”



# Performance Report



## Overview

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

## About the Trust

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

The Trust employs a workforce of 4,115 staff who work across our community and hospital sites. As a teaching and training hospital we provide education and training to around 900 medical and over 800 nursing and allied health professional students each year.

For the year 2021/22, our operating turnover is £387m of which £339m directly relates to the clinical services we provide; 46% of our clinical income is non-specialised and 54% is specialised. Our principal contract is with NHS England for tertiary and quaternary care. The Trust also serves a wide population base for secondary care with Liverpool Clinical Commissioning Group (CCG) hosting the £93.2m contract on behalf of 12 associate CCGs in the Northwest of England. In addition to this we also have a contract with a value of £21.1m with commissioners in Wales.

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

Alder Hey's service profile means that it is an anchor institution for children and young people's healthcare. It continues to be a top performing Trust, registered with the Care Quality Commission (CQC) without conditions and with ratings from the health sector regulator, NHS England and Improvement that have been generally among the highest available since authorisation as an NHS Foundation Trust in 2008; until the COVID-19 pandemic we consistently achieved the government's NHS Constitution access and quality targets.


Despite the challenges of the pandemic, Alder Hey continued to progress against the Trust's Integrated Research Strategy by delivering research at volume and to the highest standards of safety and quality.

The Trust has hosted a dedicated National Institute for Health and Care Research (NIHR) Clinical Research Facility for 10 years, enabling the delivery of early stage, experimental clinical research in a state-of-the-art dedicated facility within the hospital. In 2021/22, Alder Hey received a further £2m in funding from the NIHR for its Clinical Research Facility (CRF), extending its delivery of early-stage clinical research.

Alder Hey's CRF is one of 28 research facilities across the UK funded by the NIHR, and one of two exclusively for paediatric patients. The state-of-the-art child-centred facility provides the safest environment for early translational and experimental medicine research, from studies testing new treatments in patients for the very first time (first-in-child trials) through to early safety and efficacy trials (Phase IIa trials). The funding from the NIHR will enable this vital work to continue until 2027, with the CRF playing a key role in realising the national vision for the future of UK clinical research delivery, bolstering the delivery of innovative trials across all phases, all treatment types and all conditions.

Nurturing a cohort of talented and committed researchers is another critical factor in our success. Research clinics at Alder Hey provide a meeting point for all staff with an interest in research, including consultants, trainees and all allied health professionals. The overarching aim is to create an environment that cultivates clinical research at Alder Hey by way of bringing together members of staff and external speakers, both of whom present their research, share their experiences and discuss the challenges involved. In 2021/22, nine such sessions were held with a range of speakers on a wide array of subjects.

In partnership with the Alder Hey Children's Charity, 11 health care professionals continue to be supported by the Trust's mentoring team of honorary professors to support the group to develop their research ideas and submit grant applications. Leadership is key, and this year saw the appointment of Professor John Chester as Director of Research and Innovation and Miss Harriet Corbett (Consultant Urologist) as Clinical Director of Research.



The Trust is supported by two main registered charities and through the work that they do to support the hospital, we can ensure that Alder Hey's pioneering work continues to make a difference to the lives of children and young people. In addition to Alder Hey Children's Charity, Ronald McDonald House, located in the grounds of the hospital, is able to offer support and a safe place to stay in a 'home away from home' environment for families at the toughest time in their life. Our relationship with our charitable partners remains hugely important to us and never more so than during the COVID-19 pandemic, during which time they worked tirelessly alongside us to support our patients, families and staff.

We have been authorised as a Foundation Trust since August 2008 and have an active Council of Governors representing patients, parents, carers, staff, the general public and partner organisations. The Council represents our membership which currently totals over 14,000 people across the regions we serve. We have a well-established Children and Young Peoples' Forum ('The Forum') which helps develop new ideas for how they can be at the centre of the Trust's plans and activities, including continuing to play a key role in the recruitment of key Board level posts.

## Our Services

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

“  
**Alder Hey's service profile means that it is an anchor institution for children and young people's healthcare**  
”

The four clinical divisions are comprised of the following services:

## Medicine

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

## Clinical Research

- Governance and Quality
- Research Delivery
- Clinical Research Facility
- Paediatric Medicines Research Unit
- Experimental Arthritis Treatment Centre
- Commercial Partnerships

## Surgery

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

## Community and Mental Health

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

## Equality of Service Delivery to Different Groups

During 2021/22 we continued to use alternative ways of maintaining care delivery whilst keeping our patients and families safe. Alder Hey has pioneered digital solutions to enable our clinical teams to maintain contact with patients and families by continuing to offer virtual consultations via the 'Attend Anywhere' platform.

The pandemic has demonstrated that further action is required to tackle health inequalities in access, experience and outcomes. Alder Hey is continuing to build on what we have learned during the pandemic to transform the delivery of services and has structured each of its planning priorities to use population health analytics and insights to ensure plans overcome health inequalities, particularly in regards of waiting times by ethnicity and deprivation. Clinical teams are empowered to take ownership and drive forward plans to address inequalities to achieve demonstrable impact. The Trust's clinically-led management model plays a key role in our ability to address the risk of lack of equality of access and delivery as the divisions can identify and address issues locally or where appropriate, contribute to Trust-wide solutions.

COVID-19 has led to a significant increase in demand for mental health services. In order to respond to this, Alder Hey has developed a comprehensive plan in order to expand and improve mental health services and services for people with a learning disability and/or autism. This programme is based around the concept of 'parity of esteem', that is to ensure that the mental health and wellbeing of children and young people is accorded equal importance to their physical health.

The Children and Young People's Transformation Programme is focused on addressing health inequalities and based on evidence-based interventions, the impact of which will be expected to be measured from 2022/23 onwards.

The formation of Integrated Care Systems nationally has signalled a new ambition for collaborative working in order to develop effective, joined up models of care at Place that are designed around people's needs, and are more likely to improve access to care, quality of care, health inequalities and outcomes.

## Our CQC Ratings

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

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

## Our Vision

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



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

## Our Strategy

The continuing COVID-19 pandemic meant that the Board had to once more take a flexible approach to setting its strategic priorities during 2021/22. “Our Plan” - our Strategic Plan to 2024 – remained the principal vehicle to take us towards our Vision of ‘a healthier future for children and young people’ – however operational focus on response and recovery again came to the fore in the face of further unprecedented events. The Trust’s values continue to underpin all that we do and how we do it throughout the most challenging period in NHS history.

We know that the impact we have on the health of children and young people goes beyond our provision of treatment and care. We are part of a wider health and financial and social economy. We therefore have a duty to operate in a way that has a positive impact on the society around us. For Alder Hey we will focus on six key areas: our use of buildings and spaces we occupy; increasing access to high quality employment opportunities for our communities that reflect the diversity of our community; being part of a network of beneficial partnerships; recognising and addressing our impact on Climate Change with a net zero plan; and, also, understanding and then maximising our economic impact through positive wealth creation. By working on these we will play our part in Cheshire and Merseyside as an “Anchor Institution”, working alongside others to significantly and positively improve the lives of all around us.



# Delivering on Our Strategic Aims and Our Operational Plan: Highlights From 2021/22

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

## Delivery of Outstanding Care

The Trust has a programme of work which focusses on reducing waiting time for elective surgery. Each service will also ensure it is offering patient initiated follow up (PIFU) to children and young people with suitable conditions, to empower families in the management of their care.

Alder Hey is committed to being a safe place for children and young people to receive healthcare. The Trust has restated its intent to eradicate never events from the organisation in the last year and embedded the Safer Theatres at Alder Hey (STAT) Programme, focusing on safety culture in the theatre suite. The Programme provides in situ cultural and human factors training to teams and has been well evaluated.

Alder Hey has continued to see a rise in non-elective demand through our Emergency Department. Staffing models have been reviewed to cope with the additional demand and the clinical team have launched a Symptom Checker which guides parents to the most suitable place to take their child to receive care. This may be through a community pharmacy, GP or through attendance at a walk-in centre or ED. Parents have given positive feedback on this development and next year the current list of 17 symptoms will be expanded.

The Bedside Verification System is now live in all areas to help improve the safety of administration of select medications, administration of expressed breast milk, and the process for blood sampling.

As the country recovers from the pandemic, the Trust too is now focussed on restoring services for children and young people and ensuring that all children and young people have access to the care they need.

Our mental health service has launched the 'CYP As One' platform, creating a single point of access, information and referral for children, young people and their families with mental health needs. The platform allows families to easily track the status of their referral and provides useful information and support.

The Organisation has supported three quality priorities: medication safety, the deteriorating patient and parity of esteem for those presenting with mental health issues. These programmes will drive improvement in key areas, assisting in the delivery of outstanding care.

**Becky  
Milligan,  
Practice  
Educator,  
Ward 4c**



“

A few years ago, the ward was a very stressful place to work on. It's a completely different place now thanks to the quality improvements made and a lot of the staff have said they are much more confident and happier.

”

## The Best People Doing Their Best Work

- In 2021/22, the Trust once again reviewed its People Plan in the context of the ongoing coronavirus pandemic to ensure it continued to support the organisation effectively. The response to COVID-19 in 2021/22 saw our staff continue to work assiduously, with compassion and dedication throughout. Effectively supporting our staff during this unprecedented time has been critical, be that in respect of health and wellbeing, redeployment, or working differently. We have accelerated and developed elements of the Trust's People Plan (launched in 2019) during the pandemic, primarily in relation to physical and psychological wellbeing, equality, diversity and inclusion (EDI) and agile/digital working.
- Through the COVID-19 pandemic, support for staff health and wellbeing has been amongst the top strategic priorities and has led to the rapid growth of the Staff Advice and Liaison Service (SALS), offering an open door, easy access, rapid response listening service to all staff. The service aims to prevent staff difficulties from worsening by addressing issues in the moment and finding the right solution in the right place at the right time. Since its launch in January 2020, the service has received over 4000 contacts and has been central to ensuring the psychological safety and wellbeing of all staff through the pandemic, with 100% of staff who have accessed the service saying they would recommend the service to friends or colleagues in the organisation.



The coherence of our whole approach to staff engagement, including our commitment to staff wellbeing and to the development of compassionate and inclusive culture, was recognised most recently externally via us winning the HPMA Browne Jacobson Award for Excellence in Employee Engagement 2021. Alder Hey's staff engagement work has been further recognised through NHS Employers who have featured the work in their annual conference and in a dedicated podcast featuring the Alder Hey staff engagement story and successes.



- Our 2021 Staff Survey results, in which 52% of our staff submitted a response, indicate that, despite the challenges of the past year we still have a high proportion of staff recommending Alder Hey as a place to work (72%). 90% recommended Alder Hey as a place for friends and family to receive care.
  - In 2021/22, the Trust's Black, Asian and Minority Ethnic (BAME) Inclusion Taskforce continued to make significant achievements in support of the EDI agenda. The Taskforce is proud of its achievements in the 18 months since its inception during 2020, which have included the following:
    - Tackling overt racism, prejudicial or discriminatory behaviour – a 'Zero Tolerance' approach. In 2021/22 the Trust has, through extensive research, collaboration and consultation devised a specific Zero Tolerance policy against any racist, homophobic, prejudicial or discriminatory behaviour. This policy aligns to the Trust's existing Zero Tolerance Policy and associated Zero Tolerance Process, however it specifically addresses discriminatory behaviour. The policy was launched on the United Nations International Day for the Elimination of Racial Discrimination on 21st March 2022. It symbolises our intention to come together to create the change for us to become the beacon of diversity and a safe place for all.
    - Improved access to volunteering opportunities – engagement with local community groups and a local FE college has resulted in an increase of almost 11% more volunteers from BAME backgrounds over the last two years.
    - More diverse and inclusive communications – the launch of the 'Face like Mine' campaign as a result of listening to staff and young people about how they wanted the workforce to represent them.
    - Re-launch of the BAME Staff Network.
    - Established a new Equality, Diversity and Inclusion (EDI) collaborative with colleagues at the Walton Centre for Neurology and Clatterbridge Cancer Centre.
    - Improvements in Trust Workforce Race Equality Scheme (WRES) data.
- The Taskforce has set the 'blueprint' for how, when we come together with strong leadership, a shared purpose and the right team alongside this, we can achieve so much for our staff and the communities we serve.
- During the pandemic the Trust embraced the digital means of working remotely and working differently. The Trust has since continued to build upon these opportunities, further enhancing the different ways of working to support a greater degree of flexible working.
  - We continued through 2021/22 with the delivery of the Apprenticeship Strategy, adapting and making use of digital learning including increasing support for individuals with additional learning needs.
  - We are continuing to champion a working environment that encourages all staff to 'speak up' and 'listen up' through our Freedom to Speak Up Guardian and Champions. The Freedom to Speak up Guardian continues to work in partnership with Human Resources to embed a safe and just learning culture.
  - The Wellbeing Guardian role has also developed over the last 12 months, influencing and shaping the direction of travel for our approach to Organisational Health and Wellbeing.

# People Promise



## Sustainability Through External Partnerships

- We continue to develop our local, regional, national and international networks and collaborate with a wide range of partners to improve outcomes for children and young people through educational excellence. Such collaborations include: our work with the Liverpool City Region and The Prince's Trust to maximise career opportunities for young people from across the Region; building new local partnerships which support young people with mental health challenges get into volunteering; enhancing our offer to partner higher education institutions (both in terms of placement capacity and learning experience); strengthening our relationships with apprenticeship providers; and exploring new international partnerships which focus on learning and supporting professional development.
- During 2020/21 Alder Hey successfully established the new Children and Young People's (CYP) Transformation Programme on behalf of the Cheshire and Merseyside Integrated Care System (ICS). This is a large-scale programme of delivery against the NHS Long Term Plan for children and young people and is focused on four priority themes (Learning Disability and Autism, Childhood Obesity, Mental Health and Wellbeing, Respiratory diseases) and the broader 'Starting Well' population cohort. The CYP Transformation programme is aimed at addressing health inequalities and drives collaborative improvements via evidence-based interventions.
- Alder Hey continues to lead and contribute to the transformation of children's services in Liverpool, through developing new community pathways to support 'starting well' – including those for infant feeding, behavioural problems, diabetic ketoacidosis and headaches. The Trust has augmented this through a partnership joint appointment with Liverpool City Council's Public Health Team. The Trust is committed to continued partnership working with Liverpool City Council, NHS partners and more on delivery of the 'One Liverpool' plan, focusing on cohorts such as CYP affected by Complex Lives and Healthy Children and Families.
- Alder Hey continues as a key member of the North West Congenital Heart Disease Partnership, working together to provide a fully compliant, resilient and clinically safe service model for adults and children across the North West of England, North Wales and the Isle of Man.
- During 2021/22 the Liverpool Neonatal Partnership (LNP) continued to grow; this is led between Alder Hey and Liverpool Women's NHS Foundation Trust and represents two trusts working together in partnership to provide a world class neonatal service for all babies requiring the highest intensity of neonatal medical and surgical care. In doing so, we aspire to an approach which ensures every baby is cared for in the most appropriate place for their needs, with consistently high standards delivered across both sites from a unified team of medical, nursing and allied health care professionals.
- Collaborative working between Alder Hey and the Royal Manchester Children's Hospital is supporting our jointly hosted clinical networks to work together to improve standards and leading the way for the development of more joined up care in the region, for example in Cardiology, Burns, Major Trauma, Paediatric Critical Care and Surgery in Children, as well as more digitally-enabled multidisciplinary working.
- Alder Hey continues to deliver new models of care within community and mental health services for children and young people. Successful investment during 2020/2021 has enhanced the delivery of mental health care to young people; assessment and diagnosis for neurodevelopmental conditions and development of our community-based therapy teams including the expansion of a sensory service to children and young people in Sefton.
- Alder Hey is an integral member of the Cheshire and Merseyside ICS Mental Health Programme Board. The Trust led the development of the children and young people's Crisis Care model following the successful implementation of a 24/7 Crisis Care Service in April 2020. The Trust is recognised along with specialist mental health trusts as a lead provider of children and young people's mental health services and is a member of the Provider Collaborative.
- Alder Hey plays an active role in the ICS Digital Programme. The Trust CEO has been the CEO Senior Responsible Officer for the Cheshire and Merseyside Digital Programme and Alder Hey is the host employer for the C&M Digital Leadership and Programme Team. Alder Hey is regarded as a digitally mature Trust both across the ICS and nationally and as such plays a leadership and support role working in collaboration with others.

## Game-Changing Research and Innovation

- Alder Hey is a leading paediatric research centre that regularly recruits more participants into research studies than other hospitals in the region. In the past 12 months over 13,000 babies, children and young people were enrolled into clinical research studies at Alder Hey, making it the highest NHS recruiter overall in the North West.
- Over 90 staff are dedicated to the support of research activity and more than 100 health care professionals from 28 specialties act as principal investigators for approximately 200 clinical research studies at any one time. These range from observational studies and tissue banking through to complex clinical intervention trials that provide our patients access to life-changing medications.



- Alder Hey Innovation this year has grown to be one of the largest, dedicated, purpose-built healthcare innovation centres in the UK with over 30 members of staff. Innovation careers in the hospital-based sector are new and we are pioneering the creation of new roles and skills. This year the Team has created a new entry level innovation apprenticeship, graduate trainee schemes, developed a research and innovation physician associate post, added a PhD fellow for health inequalities and are currently out to hire two innovation clinical fellows.
- The Innovation Team has defined its clear purpose and proposition and continues to grow and embed innovation across the Trust. The Team are problem solvers, fusing unrivalled clinical understanding of the unmet needs of children and young people with innovative culture and commercially focused innovation centre assets. The Team has the expertise to move at speed from problems to cutting edge solutions.
- One of the key achievements in the last year has been to finalise the 2030 Innovation Strategy for Alder Hey. Alder Hey's Innovation Strategy **Today's Child, Tomorrow's Healthier Adult** aims to solve the real-world problems that children and young people face, providing solutions that create a healthier, fairer future for all children. We will develop solutions to tackle healthcare inequalities and optimise resources, providing pre-emptive interventions and individualized care to improve patient outcomes for acute and chronic conditions including obesity, mental illness, respiratory and neurodevelopmental problems.

### Key Highlights for 2020/21 Include:

#### COVID-19 Research

Alder Hey had a significant impact on a range of COVID-19 related research in both adults and children. We delivered urgent Public Health research to over 500 children and young people while also taking on adult research to ensure capacity at other centres, including support of the ground-breaking Oxford COVID-19 vaccine study.

#### STOP-RSV Trial

Alder Hey is one of two acute trusts nationally taking part in the Stop RSV Trial. This Liverpool School of Tropical Medicine (LSTM) trial, running over the winters of 2021/22 and 2022/23, aims to develop a vaccine for RSV by 2023/24.

#### Asymptomatic Trial

The NIHR funded ASYMPTOMATIC study is focused on learning how best to treat children with asthma and involves working with approximately 250 GP practices.

#### Commercial Research

Participating in commercial research provides children and young people with access to treatments that would otherwise be unavailable. Other benefits include industry partners funding pharmaceutical products on our behalf. In 2021/22 treatment savings were in excess of £226k.

#### High Profile Visits

We also continue to build and deploy an impressive award-winning portfolio of solutions with tangible outputs and impact for the Trust that put us clearly ahead of our peers. The Alder Hey Innovation brand and our unique approach is now becoming nationally and internationally recognised and the Innovation Centre has been the host to many high-profile visitors including Metro Mayor Steve Rotherham and provided tours to international delegations from USA, China and Kenya.

## Project Highlights

Below are a few of the innovation projects that have advanced into pilot or deployment within Alder Hey Trust this year.

### Example Project: 'BrilliantSee'™ Clear Face Mask

- The Alder Hey Innovation Team along with the Speech and Language Team have designed a clear face mask to improve communication between staff and patients. The mask this year has moved from a prototype to an approved medical device with equivalent protection of a Type 2 surgical mask. We have partnered with the Bluetree group and licensed the mask to them for manufacture, sale, and distribution into the NHS and beyond. Alder Hey is leading the way in ensuring that masks do not need to be a barrier to effective communication. As a type 2R medical device the mask has required extensive testing and validation to ensure it can be used in a clinical environment, all made possible by the health tech stream of the Innovation Strategy.



## Digital Platforms

- Increasingly care is delivered through online platforms. This is a radical change to how we treat our patients and a huge amount of thought needs to be given to not only how care can be changed, but also the mechanics of how to do this safely, securely and efficiently. The Team is currently working on a number of digital platforms from how to collect information from community nurses, to photographing skin conditions and gaining data from wireless sensors on patients in their own homes.



### Example Project: CYP As One™

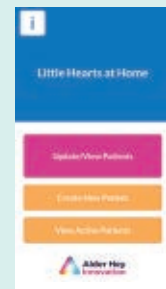
- This year we deployed in Liverpool and Sefton our CYP As One™ mental health services integrated platform. This platform brings together a single point of access for referrals, support, therapeutic delivery, PROMS and educational resources. Enhancing service access and provision for children and young people (CYP) and professionals.
- CYP As One platform has been developed in partnership with our children and young people to ensure they have access to the best care for their mental health. We have now deployed this platform allowing patients to self-refer, enable their care to be coordinated across service providers and provide access to online resources, for a broad range of mental health conditions. This has required partnership with a wide range of technology and mental health providers in the local area.

### Example Project: Little Hearts at Home

- Working with our community nursing teams across the Congenital Heart Network, Alder Hey Innovation has developed and is piloting a new Power App for community nurses to record patient observations which trigger alert emails to Alder Hey clinicians if patients breach red flag indicators. A dashboard has also been created that displays patient information to enable tracking of improvements and deteriorations.

Benefits include:

- Reducing mortality rates between complex surgeries.
- Real time data allowing clinicians in Alder Hey to closely monitor these very complex specialised patients with a traffic light system.
- Improved patient centred care and experience.
- Reduction in emergent situations and hospital re-admissions.



## Artificial Intelligence

- Artificial intelligence in healthcare covers an enormous range of ways that data can be used to improve patient care, from advanced machine visions that can diagnose conditions, to creating disease maps and automating low level computing tasks. Alder Hey Innovation hosts the AI HQ team of data specialists that are pioneering in all of these areas to achieve impact for our patients.

### Example Project: ‘Was Not Brought’ Prediction Algorithm

- A key problem in addressing healthcare inequalities is that some children are simply not brought to their outpatient appointments. This can be for many reasons but the only way to ensure great care is to first be able to interact with our children and their families. Our AI Team has been implementing a new algorithm that predicts whether a child will not be brought to their clinic appointment. With this information we can better intervene and ensure that everything is in place to ensure that a child can be seen. This technology is now being rolled out and implemented in 11 paediatric trusts across the UK, working together to identify the most successful interventions.

### Immersive Health

- Immersive health care technologies use the expanding fields of augmented and virtual reality to create more useful ways for clinicians to understand disease processes and plan operative procedures. Alder Hey Innovation Centre has a thriving immersive health lab composed of the latest equipment in this field and staff to operate it.

### Example Project: Virtual Reality Operative Planning

Alder Hey Innovation has partnered with a variety of immersive platform and software companies to develop an interactive virtual reality environment that allows clinicians the ability to explore patients’ anatomy in a virtual world from their own scan data. With the ability to gain new perspectives and understanding of how a Disease has spread or affected a patient they can better plan effective treatments and support pre-operative planning.



### User Experience (UX)

- User experience (UX) is at the heart of what we do at Alder Hey as a caring and compassionate health care institution. In the innovation space UX can be applied to many areas, from making a digital platform easier to understand to the next generation of patient entertainment and anxiety reduction technologies. In the past we have created enormous digital aquariums, 3D immersive projection environments to relax children while they have heart scans and robot companions. All designed to improve their experience while at Alder Hey.

### Example Project: AlderPlay v2.0

- We have been proud to re-release our AlderPlay patient interface as a mobile optimised website for our patients and their families. Within this custom-made platform the children can take virtual tours, collect rewards and play games which also assists with distraction.



### Partnerships and Engagement

- Alder Hey Innovation collaborates and co-creates with a thriving partnership ecosystem, including large corporate companies, small to medium enterprises, investors, entrepreneurs, scientists, engineers and academia. This year, in partnership with L Marks (an innovation consultancy partner), we ran the first healthcare Innovation Lab where Alder Hey was introduced and pitched to by a wide variety of global innovative companies to solve some of our identified problems. As a result, we have now engaged on two pilot projects; one to support the remote and individualised care of our obesity clinic patients; and the second, managing and improving flow in our Emergency Department.
- We also support innovative technology start-up companies to grow and create economic benefit to the region and this year have completed an agreement with a local SME called NeedleSmart. Alder Hey is supporting the clinical process development and implementation of a new single solution for point of care system, to digitise the whole vaccination process with every detail being automatically recorded.

## Strong Foundations

- Throughout 2021/22, work has continued on the delivery of the Digital Futures Strategy. The Trust has also achieved a number of external digital accreditations, including Cyber Essentials and Excellence in Informatics Level 2. The Trust was also accredited as an EMRAM Stage 7 organisation, becoming the first specialist Trust in the UK and first paediatric hospital in Europe to have been awarded this from the Healthcare Information and Management Systems Society (HIMSS).
- Throughout the pandemic, a number of digital initiatives were rolled out to support keeping our staff and children, young people and their families' safe. This included the deployment of Microsoft Teams, virtual consultations and telemedicine. During the past year, the Digital team have continued to support these as they transitioned into part of everyday working practices within the Trust, including approximately 3,500 virtual consultations take place consistently each month.
- The Digital Safety Programme has continued, with closed loop in use for medication, blood specimen and blood transfusion across all inpatient wards. There has been a considerable reduction in errors following implementation of these technologies. Furthermore, the Electronic Anesthetic Record has been rolled out to fully digitise the anesthetic processes in theatres, improving efficiencies and patient care. A new Ophthalmology patient record system has also been introduced, with a number of benefits which have enhanced how care is delivered within the Department.
- Following the increased demand on the Emergency Department following the pandemic, an online Symptom Checker was developed as a tool for families to glean clinical advice and be signposted to the appropriate service depending on their child's symptoms.
- Underpinning all of this was the delivery of a number of technical projects to ensure the foundations were in place to support digital transformation work. The last year has seen all staff migrated over to Office 365 to support agile working and enhanced security. This was complemented with a device refresh programme which ensured staff had the

best digital tools available to do their jobs. The Digital Drop-in Centre in the main hospital has continued to be a success, providing a single point of access for staff to digital support, enabling faster turnaround times and better results when solving technology issues.

- This new integrated service between Liverpool Heart and Chest Hospital and Alder Hey, iDigital, has now been fully established. The collaboration has already shown some early benefits and enabled an enhanced service to be provided at pace and scale to both organisations. Work is ongoing to further integrate the teams, whilst maintaining the sovereignty and priorities of each Trust.
- Finally, the Digital Service received several key awards and accolades including:
  - Winner of the Health Tech Newspaper 'Digital Mental Health Solution of the Year' with the Innovation Team
  - Finalist of the Health Tech Newspaper 'Excellence in Cyber Security' Award
  - Finalist of the Health Tech Newspaper 'Patient Facing Digital Solutions' Award
  - Finalist of the Health Tech Newspaper 'Partnership of the Year' Award

“  
Throughout the pandemic, a number of digital initiatives were rolled out to support keeping our staff and children, young people and their families' safe”



## Performance Analysis

The Trust's Corporate Performance Report has continued to be used as the key vehicle through which all relevant performance metrics are monitored by the Board, its assurance committees and the divisional teams. It not only reflects CQC Key Lines of Enquiry but also a range of locally determined measures, with a focus on SMART actions being taken to recover the position of any indicator going off track in a timely way. The report is supported by an electronic business intelligence system which enables the divisions to drill down into key financial, operational and clinical metrics at service line and even individual patient level. This forms the basis of regular executive reviews where each Division leads the discussion and presents by exception on areas of particular challenge, as well as enabling the celebration of recent successes.

## Quality Improvement

Our priorities continue to be driven by compliance with national and local standards as part of our 'Brilliant Basics' Programme and we remain committed to the Trust's vision to deliver *'a healthier future for children and young people'* whilst striving to be world leading in our approach to innovation, research and achievement of the best clinical outcomes.

Alder Hey has partnered with external organisations KPMG and the Point of Care Foundation (POC) to help us embed a culture of continuous quality improvement across the organisation with a patient and family centred care approach.

Our methodology for the Brilliant Basics Programme is built upon the concept of delivering improvements in care, quality and safety by the everyday, ongoing use of continuous improvement. The Trust also has in place a robust governance structure from Ward to Board to provide assurance of high quality treatment and care.



## Achievement of National Standards of Care

During 2021/22 compliance with national standards of care and commitments under the NHS Constitution has been challenging due to the ongoing issues related to COVID-19 and the backlog of patients waiting for care from the previous year. The national rules associated with Infection Control - social distancing, self-isolation and so on - have impacted on our patients and our staff and the way in which we are able to safely deliver care. We have introduced new ways of working to improve our performance against standards. This includes maintaining the use of technology to deliver care virtually where clinically appropriate, for example the use of Attend Anywhere video calls for Outpatient appointments.

We have endeavoured to maximise access to elective care and reduce waiting times through daily and weekly performance systems and processes. Consequently we compare favourably to our peers, with fewer patients waiting more than 52 weeks for their treatment compared to benchmarks. We have maintained compliance with national standards related to cancer care.

We have experienced significant pressure with Emergency Department (ED) attendances (114% of pre-pandemic levels) and emergency admissions. This significant increase in demand has meant that compliance with the 4-hour waiting time target in ED has not been delivered consistently. However robust systems have been in place to prioritise the most clinically urgent patients at all times and it remains very rare for any patient to spend more than 12 hours in total in the ED department prior to their treatment.

Our focus on patient and staff safety remains at the forefront of what we do and how we approach the challenges that the COVID-19 pandemic has brought – whilst working with renewed ambition to improve access to care and reduce waiting times for children and young people.

The Trust's performance against national access and other mandated targets for 2021/22 are set out below:

Target or Indicator	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Summary Hospital Level Mortality Indicator (SHMI) <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a
C. Difficile Numbers - Due to Lapses in Care			1	1	0	0
C. Difficile - Rates Per 100,000 Bed Days			6.2	6.2	0	0
18 Week RTT Target Open Pathways (Patients Still Waiting for Treatment)	92%	62.2% (March 2022)	71.8%	70%	63.3%	61.6%
All Cancers: Two Week GP Referrals	93%	82.1% (2021-2022)	98%	100%	97%	100%
All Cancers: One Month Diagnosis (Decision to Treat) to Treatment	96%	93.5% (2021-2022)	100%	100%	100%	100%
All Cancers: 31 Day Wait Until Subsequent Treatments	98%	98.8% (2021-2022)	100%	100%	100%	100%
A&E - Total Time in A&E (95th Percentile) <4 Hours	95%	70.4% (2021-2022 - Type 1)	86%	75.4%	71.1%	73.2%
Readmission Rate Within 28 Days of Discharge <sup>2</sup>		0-15 Years:	6%	5%	6%	6%
		16 Years and over:	3%	2%	2%	3%
Rate of Clinical Incidents per 1,000 Bed Days			101	89	75	85
Clinical Incidents and the Percentage that Result in Severe Harm or Death			0.13%	0.28%	0.23%	0.21%

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

<sup>1</sup> Specialist trusts are excluded from SHMI reporting

<sup>2</sup> Data source: Trust Patient Administration System – not published nationally.



# Green Plan for Alder Hey – Creating a Healthier Future

Sustainability and the environment has been a key issue for Alder Hey for many years and were at the core of how we designed and developed our new site and campus. The NHS has now set out ambitious targets to reduce carbon both in our buildings and in how we deliver care. Delivering this change will impact many areas of the Trust from how and when we visit, to which anaesthetics we use and how we power our buildings.

We are using our Brilliant Basics methodology to drive some significant improvement this year on energy, waste and our overall carbon footprint and will publish the results next year. At the same time, we are building a broader programme of change to tackle some of the longer-term problems like our travel infrastructure. As well as reducing carbon, our plan will help deliver our vision of a healthier future. We are starting to see in more and more ways what is good for carbon is good for health from reducing air pollution to getting more people cycling and expect to find many more in the year ahead.

To date we have used the Sustainable Development Assessment Tool (SDAT) to judge where we are. SDAT is a self-assessment tool developed by the NHS Sustainable Development Unit with a particular focus towards sustainability within the NHS. The tool contains approximately 280 individual statements across ten different topics. It provides a

useful starting point, although not yet the definitive metric, for measuring progress. We have sought advice from expert sources in starting to understand what a Green Alder Hey would need and look like. For example, we have reached out to colleagues across the NHS Region to both share where we are with our approach and to help check against other activity to see where we may obtain help and advice. We have also approached the experts at Keele University, which has a significant and high quality Sustainability Unit, to seek to engage their expertise going forward.

We have identified workstreams for action based on individual interest and these provide the future structure for delivery of our Net Zero goals. To deliver against these now requires a Programme that touches every part of what we do. This Programme will be centred around two things – measurement and delivery; measurement of where we start from and how we are progressing towards an agreed, ambitious goal; and delivery of the activity to make this happen in every operational part of Alder Hey. “Being Green” is not a one-off project that can be done to the Trust; it has to be a fundamental and forever locked into how we do business. This requires individual understanding, system changes, monitoring and reporting of everything that we do. This is our task in the year ahead.

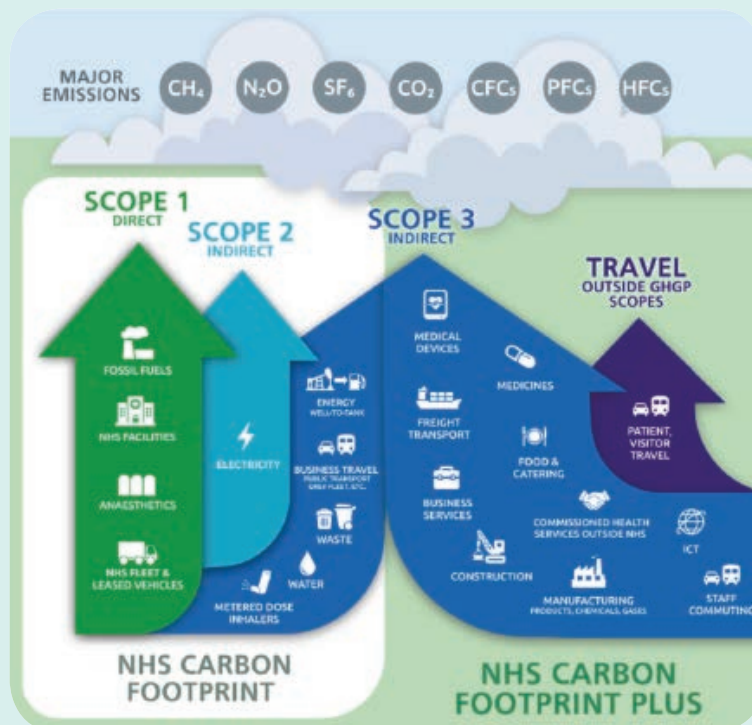


Figure 1- GHGP scopes in the context of the NHS

# External Awards and Achievements in 2021/22



## Funding Boost for Vital Research at Alder Hey

Alder Hey and Liverpool University Hospital Foundation Trust (LUFT) were awarded a combined total of £7.3m of research funding in March by the NIHR (National Institute for Health Research). Alder Hey received £2m of the funding, which is for the next five years, for our Clinical Research Facility (CRF), extending its delivery of early-stage clinical research.

This is a massive investment to the city of Liverpool and will help create better and safer medicines for children, young people and the adults of the city and beyond.

Alder Hey's CRF is one of 28 research facilities across the UK funded by the NIHR, and one of two exclusively for paediatric patients. The state-of-the-art child-centred facility provides the safest environment for early translational and experimental medicine research, from studies testing new treatments in patients for the very first time (first-in-child trials) through to early safety and efficacy trials (Phase IIa trials). It is staffed by an expert team including research nurses, doctors, clinical trial pharmacists, research physiotherapists, research play specialists and clinical trial coordinators.

On making the award, an independent selection committee considered the 'quality and breadth' of Alder Hey's early translational and experimental medicine research studies; the 'bespoke, well designed and well equipped' facilities, the leadership structure and the expertise of the staff working within the CRF.

## Art Creates a 'Brighter Future'

Alder Hey hosted its first ever art event, 'Brighter Futures', to showcase the work of celebrated artists including Yoko Ono, Tony Ross and Willy Russell and to support children and young people at Alder Hey.

The event, which included an exhibition and online auction, aimed to raise £100,000 for Alder Hey Children's Charity '7' in 10' Mental Health Appeal. The unique exhibition displayed over 120 items especially curated for Brighter Futures, one of which was created with the help of children and young people at Alder Hey. British artist Rachael Howard, who is also an Arts for Health practitioner at Alder Hey, worked with 11 patients at the hospital to create a single piece of art titled 'My favourite word...'. The colourful creation used screen printing techniques on fabric to portray words that bring each individual patient involved in the project happiness. Words used include 'summer', 'unique', 'animals' and even 'Peppa Pig'!

The finished piece was brought together by Rachael and revealed for the first time to patient Aleena (14), who was one of the young people who helped to create it on her ward.





## Queen's Award for Alder Hey Volunteers

Volunteers from Alder Hey Children's Hospital received The Queen's Award for Voluntary Service in June, the highest award a voluntary group can be awarded in the UK. The Queen's Award for Voluntary Service aims to recognise outstanding work by volunteer groups to benefit their local communities. It was created in 2002 to celebrate The Queen's Golden Jubilee. Recipients are announced each year on 2nd June, the anniversary of The Queen's Coronation.

Alder Hey volunteers perform a huge range of vital activities in the Trust including welcoming visitors, directing patients to clinics, supporting ward teams in the hospital and Trust, baby cuddling, bedside buddies, running ACE Club, pet therapy and administrative support. Like many staff they had to adapt their role during the pandemic to help keep staff and visitors safe, encouraging mask wearing and hand hygiene and providing valuable support to colleagues by delivering staff meals and replenishing PPE stock.



## Alder Hey One of First UK Trusts to Receive GDE Accreditation

Alder Hey recently became one of the first trusts in the UK to receive GDE accreditation from NHSX as part of the Global Digital Exemplar Programme. Leaders from the NHSX and NHS EI team visited Alder Hey to witness some of our incredible digital and innovation developments. The team visited our wards to see technology in action, which was also part of the Global Digital Exemplar Certification Ceremony, presented by colleagues from NHS Digital. The Global Digital Exemplar Programme was a three year digital programme that has seen a huge number of digital developments take place at Alder Hey.

The implementation of video consultations through 'Attend Anywhere' enabled Alder Hey to continue providing care for patients through the pandemic and has become part of the 'new normal' as our healthcare provision continues to improve through greater use of digital technology.

The Trust currently hold around 4,000 digital Outpatient appointments per month, which is the 2nd highest in Cheshire and Merseyside and 12th highest in the whole country. Alder Hey has been one of the first trusts to trial video consultations in an emergency care setting and proved the concept successfully during a pilot towards the end of 2020.

The introduction of telemedicine at Alder Hey and the 'Robo Docs' contributed massively to continuing to provide safe care through unprecedented times. Mobile, high spec cameras with the ability to live stream were deployed across inpatient wards at Alder Hey and to our close neighbours at Liverpool Women's Hospital, enabling clinical staff to care for patients regardless of their location.

Alder Hey's innovation portfolio is extensive and includes Artificial Intelligence (AI), immersive technology and health-tech. The Team has helped deliver cutting edge technology to our clinical teams, such as augmented holo-portation in surgery, custom 3D printing and AI clinical intervention.

## Alder Hey Opens A Place Like No Other

Our Alder Centre, the first and only purpose-built dedicated child bereavement centre, was officially opened on Friday 10th September 2021 by Emma Weaver and her family and Antoinette Sandbach.

The new £2.1m building was funded by Alder Hey Children’s Charity, including £1m Libor funding. Designed by Allford Hall Monaghan Morris, the new facility includes counselling rooms, flexible recreational space and holistic therapy rooms, with every room having a view and access to the communal gardens. In addition, a large central ‘Heart Space’ easily accessible on entry will support the service by offering an open access approach to bereaved families to drop-in for support. It sits within Alder Hey’s evolving health campus and creates the perfect facility to provide a whole host of new and varied therapeutic services for bereaved families and hospital staff.

Emma used the Alder Centre services after she lost her daughter Georgie in May 2014. Georgie was born earlier than expected with Tracheal Agenesis, a rare condition in which the windpipe fails to develop and she sadly passed away at just five days old. Emma’s eldest daughter Jess (13) has gone on to raise just over £25,000 for Alder Hey in memory of Georgie.



Emma said: “The Alder Centre played a huge part in helping us come to terms with our grief and heartache in the early days after Georgie died...Being asked to open the new Alder Centre has been such

an unexpected honour and privilege. It means so very much to our family to be asked to attend and be part of the event. We are very proud of Jess for all she does to keep Georgie’s memory alive.”

The Alder Centre team work closely with Alder Hey to provide bereavement support services and counselling for anyone affected by the death of a child of any age, under any circumstances, no matter how recent or long ago.

Antoinette Sandbach, who was MP for Eddisbury used the Alder Centre’s services after she lost her son Sam in 2009 from sudden infant death syndrome. Antoinette was Chair of the All Party Parliamentary Group on Baby Loss, has campaigned for more specialist bereavement centres like the Alder Centre throughout the UK and was instrumental in helping to secure Libor funding for the new building.



Ms Sandbach said: “As a mother who benefited from the counselling support given by the Alder Centre I know what this new counselling centre will mean for the families who will use it. I am so proud to have been able to help give back to the Centre and secure £1 million in Libor funding. Child loss affects so many families and the Alder Centre provides free specialist counselling and support to families in the North West - it is wonderful to see the beautiful space which will deliver these services in a setting which will provide the tranquil and supportive environment families like mine need. I am really grateful to those who have supported the Charity and the donations they have given to make this happen.”

The judges declared it...

“

An outstanding healthcare project in a community or primary care setting that demonstrates high levels of sustainability and urban integration, transforming the quality of care services in an accessible location, and supporting the integrated needs of staff, patients and the community

”

Earlier in June the Alder Centre was awarded overall winner in the annual European Healthcare Design Awards. Submissions were received from 40 countries across the globe, representing the very highest quality and innovation in healthcare design and architectural excellence.

## Alder Hey Awarded Freedom of Sefton

Alder Hey was proud to be awarded the 'Freedom of Sefton' by Sefton Council in July. At a meeting of the full Council, the decision was made to recognise Alder Hey and our staff along with three other Merseyside trusts for their hard work and dedication during the COVID-19 pandemic.

Freedom of the Borough is the highest ceremonial honour the local authority can bestow and a permanent record of the Borough's endless appreciation and debt of gratitude to the trusts will now be formalised. Organisations receiving Freedom of the Borough gain the 'right, privilege, honour and distinction of marching through the streets of the Borough on all ceremonial occasions with colours flying, bands playing, drums beating and bayonets fixed'.

Cllr Ian Maher, Sefton Council Leader said: "The trusts and all of their staff have served the Borough and wider city region tirelessly throughout the pandemic, putting themselves at risk in ensuring the safety of others.

"That selflessness and dedication cannot be underestimated, which is why the Council are awarding NHS staff at all levels within the trusts the Honorary Freedom of the Borough."

## Alder Hey Doctor Rewarded With National WellChild Award

Consultant in Paediatric Respiratory Medicine, Chris Grime was named as a winner in the prestigious national 2021 WellChild Awards (in association with GSK) having been nominated by Sarah Mogan, the mother of a patient under the care of Alder Hey's Long-Term Ventilation Team.

Chris was picked from hundreds of nominations from across the UK to win the category of Best Doctor in these Awards. The WellChild Awards celebrate the resilience of children living with serious illnesses or complex conditions and honour the dedication of those individuals who go the extra mile to help these children and their families. The Awards were attended by WellChild Patron Prince Harry.

Dr Grime's understanding and willingness to go above and beyond to support his patients has been particularly appreciated by Sarah Mogan. Her son Harry was born prematurely and he has complex health needs. Sarah's anxiety over Harry going to hospital for tests was greatly eased when Dr Grime met and admitted the family personally to reduce the number of different staff they had to see. He also gave them advice on things like the level of PPE needed to keep Harry safe and attended meetings with school and education professionals to get children like Harry, who has a tracheostomy, safely back into school and avoid further isolation.



Sarah said:

“ The joined-up approach Dr Grime has set up between the Hospital and Community Matron has given our family invaluable time together at home with Harry. Harry's complex health needs mean he can become very ill at any time but Dr Grime seems to make the positive out of everything, even the bad, and helping him to live life to the full. I can't thank him enough for the difference he has made to our family with his compassion and enthusiasm to help children like Harry. ”

## Alder Hey and NeedleSmart Come Together to Reduce Needlestick Injuries

Alder Hey partnered with med-tech innovator NeedleSmart on a safety and needlestick injuries (NSI) Reduction Programme, aiming to impact, reduce and eventually prevent the 100,000 needle stick injuries that occur every year to NHS healthcare staff.

Alder Hey is widely recognised for its cocreation and adoption of new innovative technologies. Through this alliance, Alder Hey will work directly with NeedleSmart as it brings its multi-faceted hardware and software solutions to the healthcare markets.

Claire Liddy, Managing Director of Innovation said: “At Alder Hey, we want to ensure that we are always standing at the leading edge of clinical innovation and safety. NeedleSmart’s product solution offers a number of innovation drivers to build from starting with clinician and patient safety around the major issue of needlestick injuries, carbon reduction and data transactions. Working alongside the team at NeedleSmart, we are constantly challenging conventional thinking around sharps disposal and what benefits could be achieved at that moment.

## Alder Hey and Proveca Ltd Join Forces to Improve Children’s Medicines

Alder Hey and Proveca Ltd are working together to improve medicines for children and young people. The new collaborative partnership plans to provide the best pharmaceutical treatments for children by identifying existing gaps and developing new products specifically for – and with – children and young people.

At the heart of this new collaboration will be Alder Hey’s Paediatric Medicines Research Unit and its NIHR funded Clinical Research Facility. The agreement provides an amazing opportunity to understand the needs of patients and identify the areas of unmet need to ensure that children receive age-appropriate formulations and improve adherence.

Dr Louise Bracken, Co-Director of Alder Hey’s Paediatric Medicines Research Unit said: “This collaboration with Proveca builds on Alder Hey’s proud heritage in the development of safer, better medicines for children through its Paediatric Medicines Research Unit. We hope by teaming up with Proveca that we are able to identify key gaps in provision of medicines for children and bring new products to the national formulary which are tailored to the specific needs of children and young people.”

## Alder Hey Opens New Specialist Clinics For Severely Obese Children

Staff at Alder Hey will deliver intensive support for severely obese children and young people, after being chosen to run one of 15 new specialist clinics set up by the NHS in England. Dozens of children a year, who are aged between two and 18 and experiencing health complications related to severe obesity, will be supported to lose weight through the new service.

Children will also receive specialist treatment and tailored care packages developed with their family, which could include diet plans, mental health treatment and coaching. Group sessions will be provided with a full clinical team, including support from dietitians, psychologists, specialist nurses, social workers, youth workers and a paediatrician to ensure all health needs of each child are met.

Obesity affects one in five children in the UK and can increase the likelihood of a child developing serious health issues such as diabetes, liver conditions and early heart disease. Latest data shows that one fifth of children aged 10-11 are obese and 14.1% are overweight in England.

Children who are severely obese can also develop difficulties such as breathing problems, sleep issues and mental health problems, which can dramatically impact their quality of life. Early action can prevent long term health problems such as diabetes, heart attacks, strokes and even cancer, which is better for patients and the NHS. The rollout delivers on the NHS Long Term Plan ambition to treat children for severe complications related to their obesity, avoiding the need for more invasive treatment.

## Alder Hey Launches First Startup Collaboration Programme

In August we launched our first start-up accelerator programme: Alder Hey Innovation Lab. Run in partnership with corporate innovation specialists, L Marks and sponsored by DPD and Regatta, it will enable us to partner with companies to maximise patient care and journeys.

During the 14-week Programme, successful startups were given access to stakeholders within the Trust, gaining insights from their expertise and the opportunity to test and validate their solutions.



## Chief Nursing Officer Visits Alder Hey

We were pleased to welcome Ruth May, Chief Nursing Officer for England and lead for children and young people, along with 'team CNO' to the Trust in July. Ruth spent time talking about COVID and RSV with our ICU, HDU and theatres staff, and was able to really understand the ED pressures, challenges and changes we have made to the ED Team.

Some of our fantastic young people from the CAMHELIONS shared how they have been impacted by the pandemic and what they have done to support children and young people. Our Crisis Care and SALS teams also demonstrated some of the positive contributions they have made towards staff and patient wellbeing.

During the visit, three members of staff were presented with silver awards for exceptional contributions to nursing: Alison Fellowes from Critical Care, Joanne Kendrick from Ward 3C and Raji Thomas from PICU.

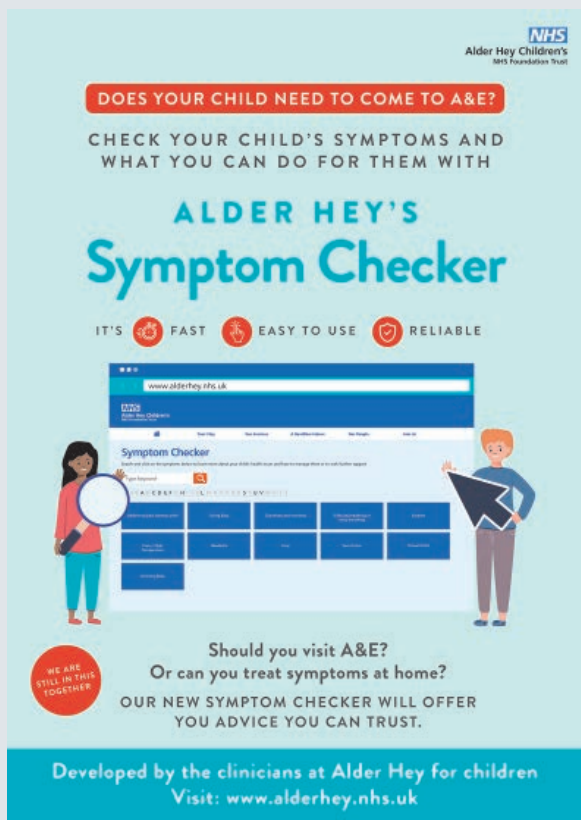


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## Alder Hey Launches New Symptom Checker for Children

Clinicians at Alder Hey developed a new ‘Symptom Checker’ to help parents and carers understand their poorly child’s symptoms and what they can do for them. The fast, easy to use and reliable online Symptom Checker helps parents and carers decide where best to get the right care for their child, be it at home, at their local chemist, walk-in centre or GP, or Alder Hey’s Emergency Department.

Dr Bimal Mehta, Consultant at Alder Hey’s Emergency Department, said: “It’s very worrying when your child is poorly, especially now when it can be difficult to get to speak to a healthcare professional about your worries. Every parent and carer wants to do what’s best, and quickly. Our new Symptom Checker will help them do that. It’s easy to use, just select one of the symptoms and follow the advice – advice that can be trusted because it has been developed using information from the NHS and Royal College of Paediatrics and Child Health as well as the expertise of the clinicians from Alder Hey.”

## Alder Hey Awarded EMRAM Stage 7 from HIMSS

Alder Hey became the first specialist Trust in the UK and the first paediatric hospital in Europe to be awarded EMRAM Stage 7 from the Healthcare Information and Management Systems Society (HIMSS).

EMRAM, or the Electronic Medical Record Adoption Model, measures the adoption and maturity of a health facility’s EMR capabilities from 0 to 7. It tests for clinician documentation, including orders, e-prescribing, patient engagement and population health analytics. Organisations that reach Stage 7, the highest level, have fully adopted and are harnessing technology to support optimised patient care.

Being validated at Stage 7, Alder Hey clearly demonstrates a significant commitment to improving patient safety and the overall quality of clinical care through the effective use and deployment of digital technology.

The accreditation means that Alder Hey has become the first specialist Trust in the UK and the first paediatric hospital in Europe to attain such a level for EMRAM. It is also a major step towards our vision of creating a healthier future for children and young people everywhere.



## ‘Nursing is a Work of Heart’

In May 2021, we celebrated our amazing nurses and the fantastic work they do every day and especially over the past year. As a small token of thanks, the Team handed out gift bags with a special celebration leaflet and a few goodies to every Nurse in the Hospital. Nathan Askew, Chief Nurse, shadowed a day in the life of one of our student nurses, Tracy, and both shared their special experiences of nursing, as part of the day’s festivities. We were also very fortunate to welcome Professor Dame Elizabeth Anionwu who shared her inspiring story on our live broadcast. Elizabeth started a career in the NHS as a school nurse assistant at the age of 16 and went on to dedicate her life to her work as a Nurse, Health Visitor and Tutor working with black and minority ethnic communities, helping to establish the first UK nurse-led Sickle Cell and Thalassemia Screening and Counselling Centre.



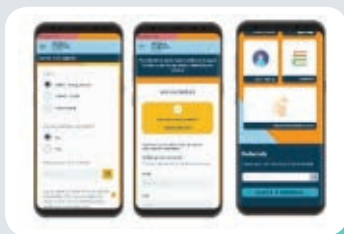
## CHI Service Recognised as International Centre of Excellence



Alder Hey, together with Royal Manchester Children's Hospital is one of the two quaternary centres nationally designated for managing the rare condition, congenital hyperinsulinism (CHI). In 2021, the service received 'Centre of Excellence' recognition by CHI international.

This honour recognises centres that provide the highest level of multi-disciplinary care to congenital hyperinsulinism (CHI) patients and their families, and an on-going commitment to research and collaboration.

Patients with CHI generally present with severe hypoglycaemia in the neonatal period and sometimes require intense medical and surgical interventions. Alder Hey has been playing a key role in managing these patients for more than 10 years by working closely with national and international partners as well as the family support/charity groups. Alder Hey's CHI MDT Team (comprising of endocrinologists, specialist nurses, specialist Dietician, Clinical Psychologist, Speech and Language Therapist and Data Co-ordinator) has been involved in various collaborative research projects and international clinical trials in addition to providing an award winning high quality clinical care.



## Vital Online Platform Developed to Support Mental Health

A new online resource was launched in May to help children, young people, parents and professionals to make referrals into partnership mental health services in Liverpool and Sefton.

The new platform is available on the Liverpool CAMHS and Sefton CAMHS websites and provides just one referral form, linking a wide range of mental health services across Liverpool and Sefton who work in partnership together.

Previously, the referral process has been long, complicated and difficult to navigate.

## Introducing Sunflower House at Alder Hey

After a thorough process involving staff, children, young people and their families, Alder Hey's new building devoted to caring for children and young people with mental health needs was named 'Sunflower House'.

The name Sunflower House was put forward by children currently under the care of the Dewi Jones Unit - which is what will become Sunflower House when it relocates. A list of names was presented to the children for them to consider, along with the option to come up with their own. They suggested 'Sunflower House', representing growth, tall and strong, and reaching for the sun.

They also told the evaluation panel how important their garden and outside space has been for them during the last 12 months. When the panel heard this, they loved the idea and the thinking that had gone into it. Currently under construction next to the Institute in the Park, Sunflower House is due to be completed in Summer 2022.



It is the first-time mental health services have been integrated in this way in the UK.

Alder Hey's Innovation Team worked closely with service users (children and young people and their families and mental health providers) to develop the Sefton and Liverpool CAMHS platform that makes accessing the right mental health services much easier.

Jack Morton, Innovation Consultant and Project Lead at Alder Hey said: "Throughout the process of designing and building this web-based platform, we utilised user-centred design processes to understand the needs of the children and families when trying to access and get help from our mental health services across the region. It took a collaborative approach, involving many of our partner organisations, to address the whole user experience and create something that we truly believe will be extremely beneficial to those who are looking for mental health support."

## State-of-the-Art Unit for New-Born Babies to Be Built in Liverpool

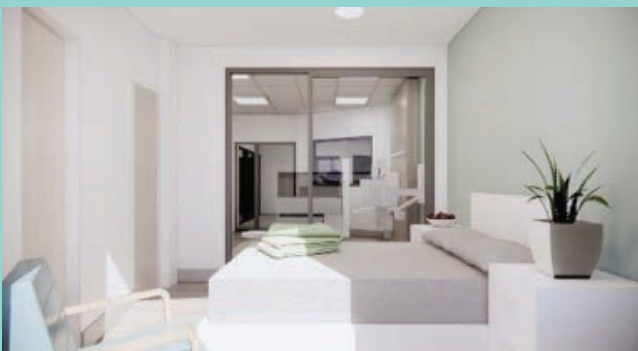
Alder Hey and Liverpool Women's continued to work together as the Liverpool Neonatal Partnership to improve the care of young babies.



Planning permission was granted to move forward with a new state-of-the-art Surgical Neonatal Intensive Care Unit (NICU) at Alder Hey.

The Unit will reduce the need for some of our smallest and sickest babies to be transferred back and forth between Alder Hey and the Women's. The new Unit will feature 22 neonatal cots and 18 individual family rooms for parents to call home and be alongside their new-borns while being cared for. Specialist neonatal staff from Liverpool Women's Hospital will work alongside Alder Hey within the new NICU, ensuring that these babies and their families receive the very best care.

The Unit will also include the latest technology such as telehealth medicine robots (currently being used to enable clinicians to monitor and see babies remotely), neonatal tracking and virtual monitoring.



Louise Shepherd  
CBE, Chief  
Executive of  
Alder Hey  
said:

“

With our colleagues at Liverpool Women's Hospital, we will be offering parents and their new-born babies the best possible care right at the start of life. We are bringing world-class care and technological innovation to ensure that babies in Liverpool get every chance to survive and thrive at a critical time.

”

Charity funding will provide 'over and above' enhancements and equipment for both the clinical space and family areas, elevating it from a facility that provides families with a safe and secure environment for them and their newborns, to a truly world-class facility that wraps-around families with the most vulnerable babies in the region.

## Key Risks to Delivery in 2021/22

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

The Trust's key risks were articulated in the Board Assurance Framework, which was reviewed on a monthly basis by the Board and its assurance committees throughout the year.

The current financial environment and the introduction of the new NHS system architecture present the most significant external risks to the Trust in terms of delivering our long-term objectives.

The strategic risk in relation to the impact of the COVID-19 pandemic which was captured on the Board Assurance Framework during 2020/21 was closed during the summer of 2021; residual risks relating to the pandemic continued to be managed through existing BAF and corporate risks. Focus for the Board during 2021/22 turned to restoration of services and meeting national standards for access to care, ensuring children and young people are seen and treated within the usual timescales. The other chief area of risk related to staff health and wellbeing and ensuring that all staff, whether front-line or remote, were able to readily access the support they needed.

## Financial Performance

The Trust ended the year with a reported deficit of £2.753m. NHS Improvement measures the Trust's performance against a Control Total which excludes these exceptional items; allowing for the impact of these exceptional items results in the Trust reporting a £0.137m surplus against its Control total for the purpose of system achievement for the year.

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

	2021/22 £000	2020/21 £000
<b>Reported Surplus/(Deficit) for the Year</b>	<b>(2,753)</b>	<b>(10,470)</b>
<b>Exceptional Items</b>		
Profit on Disposal	(84)	-
Impairment	1,137	9,833
Donated Income	(451)	(1,551)
Donated Depreciation	2,288	2,279
<b>NHS Improvement Surplus/(Deficit) on Control Total Basis</b>	<b>137</b>	<b>92</b>

Capital expenditure for the year is £30.2m. This expenditure related to medical equipment, IT and the continued development of the hospital site including the Catkin and Sunflower Unit schemes.

The Trust had a cash balance of £91.5m at the end of March 2022.



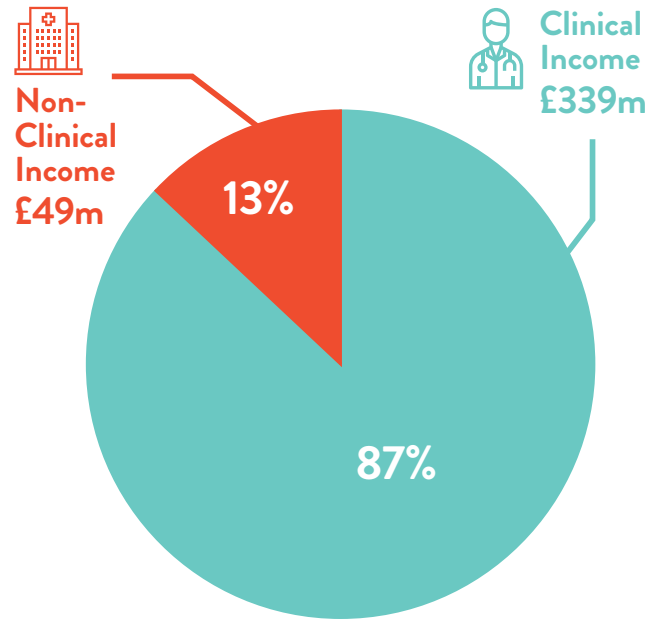
## Income

Total income received by the Trust in the year ended 31st March 2022 was £387m with £338m (87%) coming from the delivery of clinical services. Given the continued impact of the coronavirus pandemic response, transaction flows in the NHS were simplified and providers and their commissioners maintained block contract payments throughout 2021/22 with some incentives introduced for providers to accelerate their elective recovery. In addition, the Trust has a contract with Welsh commissioners to provide secondary and tertiary services to that population with a value of £21.1m.

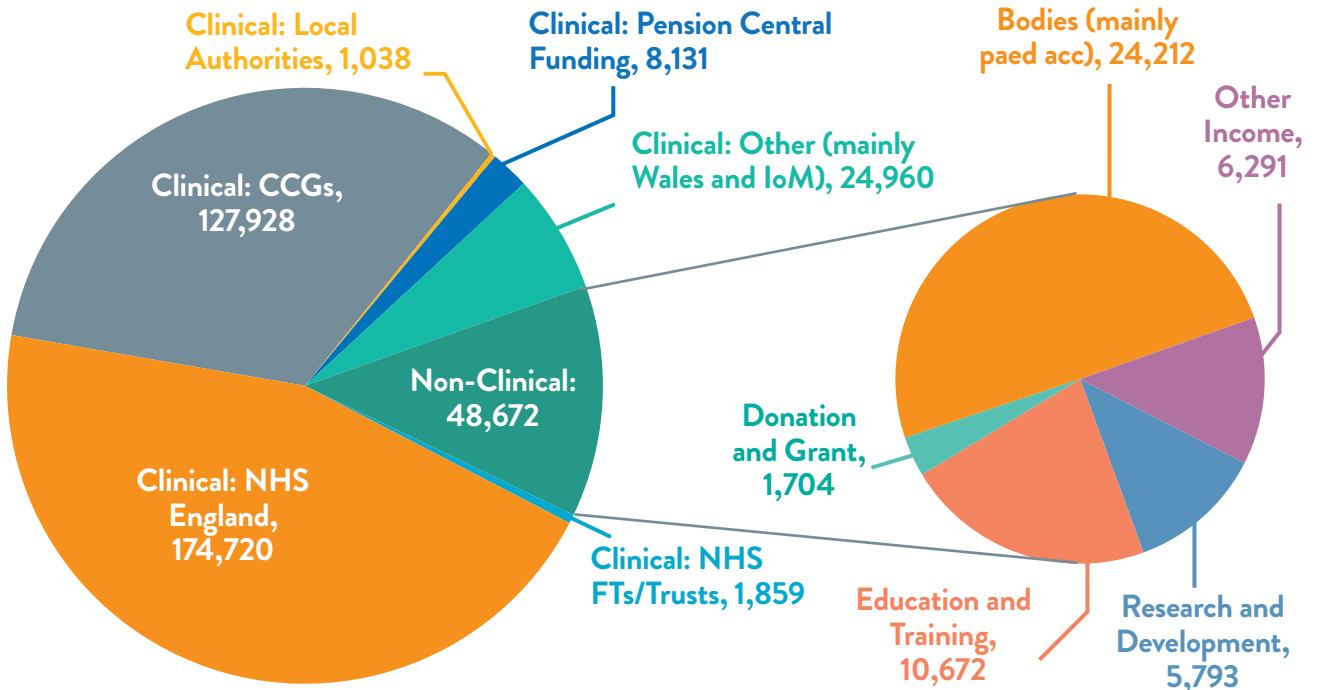
The £49m non-clinical income includes funding to support the response to the COVID-19 pandemic, recognising reduced income via donations from charities, education and training levies, research income activities, and to compensate for the limited services provided to other organisations and reduced commercial activities such as the provision of catering services and car parking income.

## Income by Source 2021/22

### Clinical/Non-Clinical Split



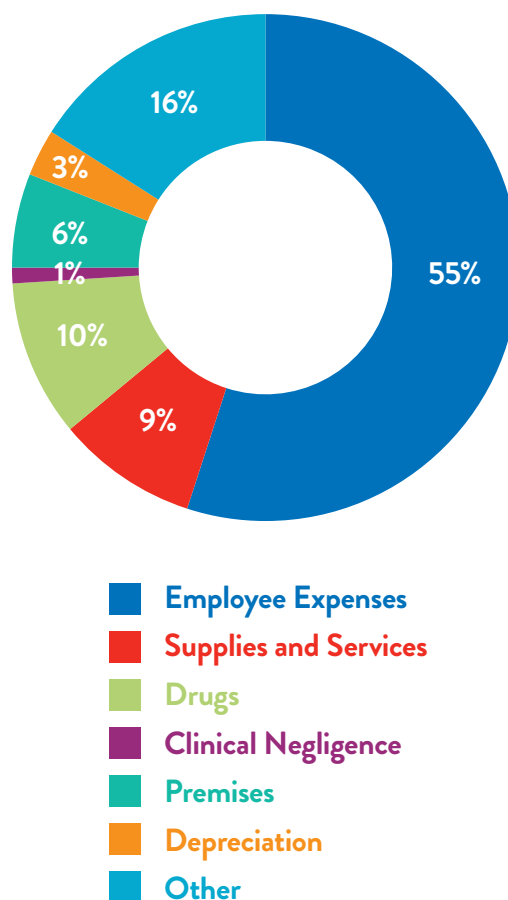
### Income Breakdown (£000s)



	2021/22 £'000	2020/21 £'000
<b>Acute Services</b>		
Block Contract/System Envelope Income*	236,560	197,590
High Cost Drugs Income From Commissioners (Excluding Pass-Through Costs)	30,264	30,633
Other NHS Clinical Income	20,388	21,272
<b>Mental Health Services</b>		
Block Contract/System Envelope Income*	18,151	13,135
<b>Community Services</b>		
Block Contract/System Envelope Income*	13,512	15,688
Income From Other Sources (e.g. Local Authorities)	1,038	668
<b>All Services</b>		
Private Patient Income	474	77
Additional Pension Contribution Central Funding**	9,488	7,439
Elective Recovery Fund		
Additional Pension Contribution Central Funding	8,131	
Other Clinical Income	630	478
<b>Total Income From Activities</b>	<b>338,636</b>	<b>286,980</b>

## Expenditure

Operating expenses totalled £379.3m for the year and, as in previous years, staff costs account for the largest use of resources at 55%. An analysis of operating expenses by type is shown in the chart below:



## Financial and Operating Risk

Total clinical income for the year was £338m, which exceeded the plan figure of £313m largely related to the Trust acting as host for the paediatric accelerator programme. Total normalised expenditure (excluding technical issues) for the year was £390.2m which was £40.0m higher than the plan of £350.2m, again this was as a result of the hosting arrangement noted above.

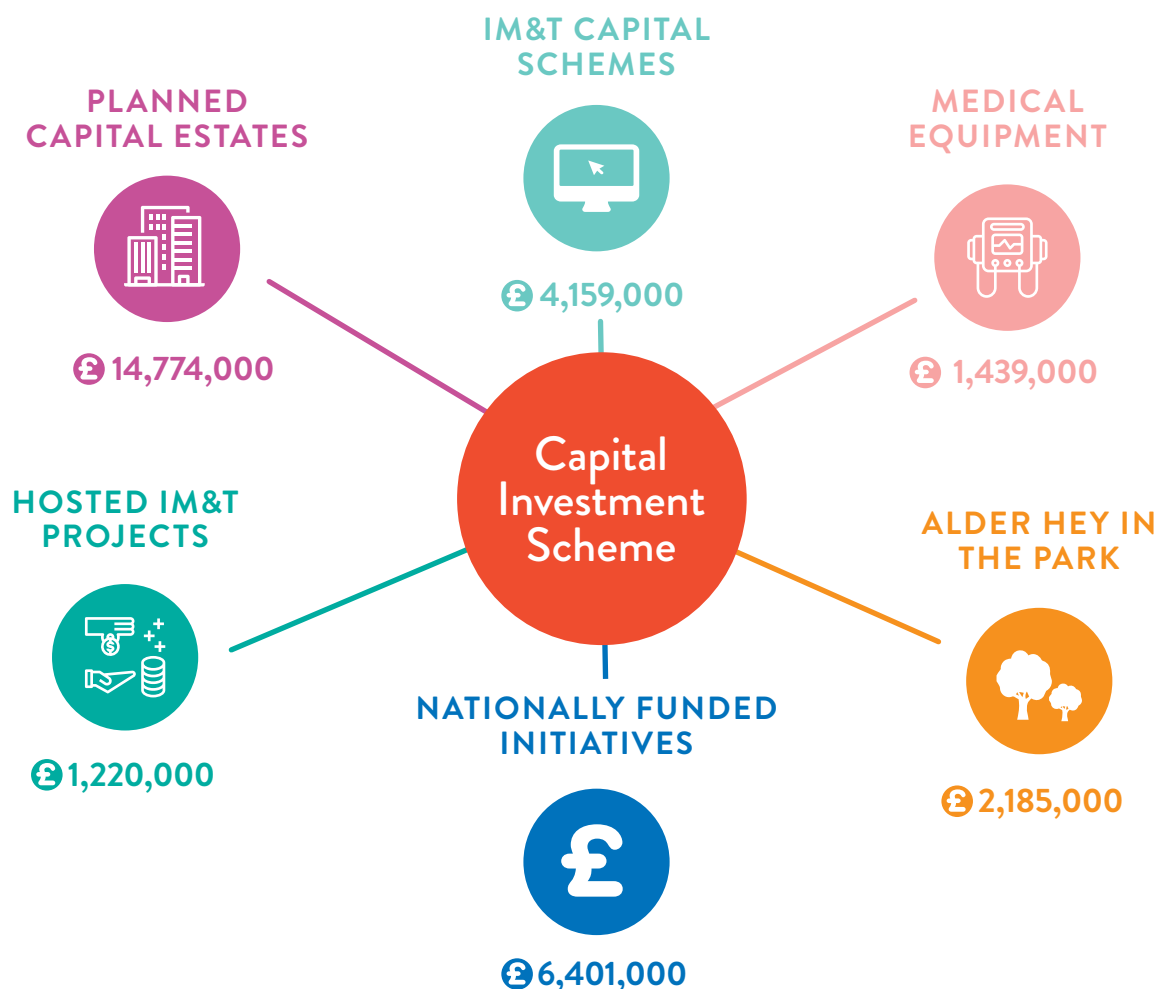
Expenditure on pay exceeded the plan by £11.1m. However included in this was spend directly related to the restoration of elective activity and excess backfill costs due to COVID-19 pressures which were not included in the plan.

Drugs expenditure was £1.8m higher than planned although some of this was recovered via income for specialist drugs not funded through block arrangements.

## Capital Investment Programme

During the year the Trust completed £30.2m of capital investments which will significantly improve services for both patients and staff. A summary of capital investment undertaken in the year is provided in the table below:

Capital Investment Scheme	Investment Benefit from Activities	Value £'000
Planned Capital Estates	Includes interim and retained estates associated with completion of Alder Hey campus and demolition.	14,774
IM&T Capital Schemes	Investment in IM&T including security and resilience and development of the digital hospital.	4,159
Medical Equipment	Investment in medical equipment inclusive of equipment replacement cycle.	1,439
Alder Hey in the Park	New hospital non-medical equipment and site development costs.	2,185
Nationally Funded Initiatives	Provider Frontline digitisation, radiology & digital imaging, RPA & AI, 4G and WIFI infrastructure.	6,401
Hosted IM&T Projects	IM&T Projects hosted on behalf of Cheshire and Merseyside Heath Care Partnership	1,220
<b>Total Capital Investment 2021/22</b>		<b>30,178</b>



**TOTAL CAPITAL INVESTMENT 2021/22 IS £30,178,000**

## Better Payments Practice Code – Measure of Compliance

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

	2021/22		2020/21	
	NHS	Non-NHS	NHS	Non-NHS
Invoices Paid Within 30 Days	1,758	50,921	2,394	45,875
Invoices That Were or Should Have Been Paid Within That 30-day Period (Split Between NHS and Non-NHS Payables)	2,594	59,224	3,499	53,229
Proportion of Invoices Paid Within 30 Days Compared to Invoices That Were or Should Have Been Paid Within That 30-Day Period (Split Between NHS and Non-NHS Payables)	67.8%	86.0%	68.4%	86.2%

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

## Accounting Policies

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

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

## Going Concern

After making appropriate enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## Post Balance Sheet Events

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

## Board Statement

The directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess Alder Hey's performance, business model and strategy.

The Board of Directors approved the foregoing Performance Report at its meeting on 20th June 2022.

Signed on behalf of the Board.

*Louise Shepherd*

**LOUISE SHEPHERD CBE**  
Chief Executive  
20th June 2022



## Cara's Story

In June 2021, Alder Hey became one of 15 paediatric hubs in the country providing specialist long covid services for children and young people. The hubs will bring together expert clinical teams, offer specialist advice to family doctors, community nurses and others seeing young Covid patients and treat complicated cases directly or refer them into other specialists.

Cara was referred to the Long Covid clinic at Alder Hey after suffering from symptoms including chronic fatigue, headaches and stomach pain.

Her mum Margo said:

“

Thank you to Alder Hey Long Covid Clinic for all their advice, encouragement and support. Cara is starting to slowly rebuild and re-piece her life together. She is lucky to be able to do that and we're so thankful for all the wonderful people who are supporting her.

”





# Accountability Report



## Directors' Report

### Composition of the Board of Directors

#### Chair and Chief Executive

##### Dame Jo Williams – Chair

Dame Jo joined the board in November 2016 as a Non-Executive Director and was appointed as Chair, succeeding Sir David Henshaw in February 2019 and was reappointed by the Governors for a second three year term to February 2025.

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

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

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

## Louise Shepherd CBE – Chief Executive

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

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

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

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

## Executive Directors

### John Grinnell - Director of Finance and Deputy Chief Executive

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

He joined The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation (RJAH) Trust in Oswestry as Director of Finance in 2008 and played a key role in supporting the organisation's successful Foundation Trust application. He also worked with the Strategic Orthopaedic Alliance (SOA) to ensure that the voice of specialist orthopaedic providers is heard within the national financial agenda.

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

John was Acting CEO from August 2021 to January 2022 covering a period of sickness absence for Louise Shepherd.


### Adam Bateman - Chief Operating Officer

Adam was appointed Chief Operating Officer in April 2018. Since joining the NHS in 2005 through the NHS Graduate Management Training Scheme, Adam has held senior operational manager positions with responsibility for surgical, medical, emergency and community services.

Adam holds the following healthcare leadership qualifications: an MSc degree in Healthcare Leadership, and an Executive Healthcare Leadership Award with distinction from the Nye Bevan NHS Leadership Academy Programme. He has also completed a Healthcare Information Fellowship at GlaxoSmithKline.

Regionally, Adam was Chair of the Cheshire and Merseyside paediatric gold command that oversaw paediatric bed capacity and mutual aid during the COVID-19 pandemic and RSV outbreak. Nationally, Adam co-led the deployment of new healthcare innovation solutions across the Children's Hospital Alliance.

Adam is the Executive lead for performance; this includes leading the recovery of paediatric services in order to address the waiting list backlog that has built up during COVID-19. He is the senior responsible officer for the deployment of a new Electronic Patient Record (Alder Care) and the programme to open a new world-leading Neonatal Intensive Care Unit facility in 2024.



**Nathan Askew –  
Chief Nursing Officer**

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

In addition to his professional qualifications Nathan holds an MSC in advanced nursing practice and has led system wide change for children's services in North West London and more widely across the capital. Nathan has a passion for ensuring all children and young people get high quality, safe care in both physical and mental health and for championing the equality, diversity and inclusion agenda. He is the current Chair of the Association of Chief Children's Nurses working to advocate for children and young people at a national level.

**Associate Professor Nicki Murdock – Medical Director (to December 2021)**

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

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

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



**Alfie Bass –  
Acting Chief Medical Officer (from January 2022)**

Alfie joined the Alder Hey Board in January 2022 and has worked as a Consultant Children's Orthopaedic Surgeon for 22 years having completed specialist training in the UK, Switzerland and Australia. He was awarded the WellChild Doctor award in 2018 for the service he provides to children. He was the Clinical Director for orthopaedic/spine and gait at Alder Hey for three years then the Divisional Director for Surgery during which time his focus was on enhancing patient safety. He now looks forward to the challenge as Chief Medical Officer where he will focus on facilitating the greatest access to care provided in the safest way for our patients and staff.

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

Erica joined the Alder Hey Board in September 2010 as Director of Corporate Affairs. She began her NHS career in 1991 through its national Graduate Management Training Scheme. Erica spent over ten years working in primary care and commissioning roles at regional level and within Liverpool and North Cheshire, before moving to the acute sector in 2003. 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. 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 assurance, regulation, compliance and corporate governance. Erica also has Executive responsibility for legal matters. Erica holds an MBA as well as a BA (Hons) degree from the University of Liverpool.

**Melissa Swindell, FCIPD – Chief People Officer**

Melissa is our Chief People Officer and joined Alder Hey in 2009. Following her graduation from the University of Liverpool, Melissa started her HR & OD career in the airline industry before joining the NHS, working in HR and OD roles in London and the North West before joining Alder Hey. A Chartered Fellow of the CIPD, Melissa leads the people agenda at Alder Hey and is passionate about making Alder Hey a great place to work for everyone, with significant focus on leadership and talent development, equality, diversity and inclusion, staff engagement and health and wellbeing. Melissa has championed the development of the award winning Alder Hey Staff Advice and Liaison Service (SALS), winner of both the national HSJ Staff Engagement Award in 2020, and the HPMA award for Excellence in Staff Engagement in 2021.

## David Powell – Development Director (Non-Voting)

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

## Dani Jones – Director of Strategy and Partnerships (Non-Voting)

Dani joined Alder Hey in October 2017 and is Executive lead for the Trust's strategic plan, our range of health and care system partnerships, the Trust's Transformation and Quality Improvement Team and the regional paediatric operational delivery networks. Dani specialises in development of complex partnerships to improve patient care across systems. Dani is Executive lead for the Cheshire and Merseyside Children and Young People's Programme which is driving improvements to outcomes for children across the local integrated care system. She is experienced in building partnerships to create better outcomes for patients across primary and community care, Mental Health, acute trusts, local authorities and voluntary sector groups. Examples include her leadership of multi-agency integrated community care teams and outcomes-based integrated frailty and diabetes services across Liverpool and Sefton.

Dani began her NHS life in technology and innovation following her BA Hons Economics and MSc in Health Care Ethics at the University of Liverpool. Dani achieved her Executive Leadership in Healthcare Award through the 'Nye Bevan' programme in 2017. Dani has 17 years' experience in health and social care in across Merseyside and has held lead roles in clinical commissioning and provider trusts, as well as an integrated role across health and Liverpool City Council. Prior to joining Alder Hey, as Deputy Chief Operating Officer with responsibility for around 2,500 staff in community services, Dani also led IM&T, the largest roll-out of telehealth in Europe, and delivery of the Trust's Clinical Strategy, working closely with community staff, GPs and The Kings Fund.

## Mark Flannagan, Director of Communications and Marketing (Non-Voting)

Mark joined Alder Hey in July 2017 from the UK Charity Beating Bowel Cancer, where he was Chief Executive. He has a degree in Medieval History from the University of St Andrews and has worked for most of his career in the Third Sector in Communications, Campaigns and Policy. Mark has extensive health experience, having worked at senior level in the Royal College of GPs, Royal College of Nursing, Diabetes UK and elsewhere. Mark is responsible for internal and external communications, including media relations, brand, staff engagement campaigns and the website.

## Kate Warriner, Chief Digital and Information Officer (Non-Voting)

Kate is the Chief Digital and Information Officer at Alder Hey (2019) and Liverpool Heart and Chest Hospital (2020). Kate began her NHS career in 2000 and has had a range of digital leadership roles in primary care, commissioning, shared services and acute care across Liverpool and the wider North West region. Kate is passionate about the NHS and the impact digital technology and innovation can make on improved clinical outcomes and the delivery of high quality, safe patient care. Kate is a music graduate from the University of Liverpool and holds a MSc in Health Informatics. She is the Chair of the Maghull Wind Orchestra where she is also principal flautist and saxophonist with the Swingshift Big Band.

## Non-Executive Directors

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

Ian joined the Alder Hey Board in September 2011 and served two three-year terms of office to September 2017. In 2021 he was reappointed by the Governors for a fifth twelve-month period to September 2022.

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



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

Kerry joined the Alder Hey Board in September 2018 and was reappointed by the governors for a second three year term to September 2024. She is a Fellow Member of the Association of Chartered Certified Accountants and a finance, risk and internal control leader with over 24 years' experience in "Big 4" professional services and as a Non-Executive Director covering governance, finance, risk management and internal control. Kerry is Chair of our Audit and Risk Committee and a member of our Safety and Quality Assurance Committee.

She was a Senior Manager at Deloitte for 11 years where she provided internal audit services to numerous organisations and industries both in the private and public sectors. She then spent three years as Head of Internal Audit at Universities Superannuation Scheme Ltd followed by three years as the Director of Retail Banking, Internal Audit at Ernst & Young. Kerry spent nine years as a Non-Executive Director at Liverpool John Moores University where she was Chairman of the Finance Committee, and a member of the Nominations and Remuneration Committees and Chairman's Group and also served on the Audit Committee.

She is currently a Non-Executive Director for South Lakes Housing in Cumbria where she is a member of the Audit & Risk Committee. Since leaving EY she has been managing her own portfolio of 11 rental properties in the Northwest.

## Claire Dove CBE DL – Non-Executive Director and Chair of the People and Workforce Committee (to September 2021)

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

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

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



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

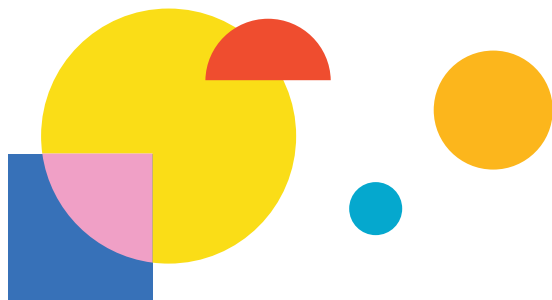
Claire has received many awards for her roles within the sector, which includes an MBE, OBE and the Queen's Lifetime Achievement Award for Enterprise promotion. Claire was once again honoured in the 2020 New Year's honours list with a CBE.

## Anita Marsland MBE – Non-Executive Director/ Senior Independent Director

Anita was appointed to the Board in July 2014 and subsequently re-appointed as a Non-Executive Director at Alder Hey in May 2020 for a twelve-month period having served two terms of three years. In 2021 Anita was reappointed by the Governors for a final twelve-month extended term to June 2022.

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

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



### **Dr. Fiona Marston - Non-Executive Director and Chair of the People and Wellbeing Committee**

Fiona Marston joined the Alder Hey Board in November 2019. Fiona is a biotechnology entrepreneur who is a Business Development Consultant for LSTM and was recently appointed as a Royal Society Entrepreneur in Residence. Until late 2020 she was Director of CEIDR (Centre of Excellence in Infectious Diseases Research) Innovations where she led a team developing partnerships with industry for the University of Liverpool, Liverpool School of Tropical Medicine (LSTM), associated NHS trusts and overseas partners.

Fiona previously led anti-infective companies Absynth Biologics and Novacta Biosystems. Earlier she founded Healthcare Ventures, for the Rothschild Bioscience Unit and J&J Development Corporation investing in European entrepreneurs. Her broader interests are in supporting young entrepreneurs with BBSRC and Biotechnology YES. She is currently an advisor to the UK Innovation and Science Seed Fund and a member of the NC3Rs CRACK IT Advisory Panel. Fiona has a PhD in Biochemistry (Kent), an MBA from London Business School and was awarded an OBE in 2021 for services in response to the COVID Pandemic.

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

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

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

Shalni is also a Council Member for the Institute of Fiscal Studies.

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

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

Fiona is a Professor of Law, specialising in international and EU law, in particular foreign investment law and gender equality law and policy. She has a particular expertise in gender mainstreaming (that is, the idea that gender concerns should be addressed systematically in all areas and by all actors), and how this is implemented in international institutions, the EU, and in individual states. In the UK this approach is best exemplified by the public sector equality duty, now contained in the Equality Act 2010. She has completed two studies for the European Parliament FEMM Committee, 'A New Strategy for Gender Equality Post 2015' and 'The EU Budget for Gender Equality'.

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

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

### **Garth Dallas MBA, LL.M, FRSA – Non-Executive Director (from November 2021)**

Garth joined Alder Hey as a Non-Executive Director in November 2021. He is highly respected for his legal, business consulting and diversity and inclusion expertise and has a passion for helping businesses develop strategies that focus on making a positive impact on people, places, and the planet, across multiple industries.

For over 28 years he has been involved in the research, strategy, design, implementation and management of innovative and cutting-edge strategic business and diverse community projects based on the relationship between diversity and equality of opportunities legislation, diversity best practice, and importantly, sustainable business practices as a force for good in the 21st century global marketplace.

With extensive experience in business, legal and community support, his prominent expertise is providing innovative methods to manage governance, compliance and business strategies whilst keeping efficient financial management. These projects have been designed and involved the allocation and management of culturally sensitive and diverse resources, stakeholders and challenging outcomes

This is further complimented by qualified, fully practised legal specialisations in Equality and Employment Law.

He is Chair of the Liverpool Commonwealth Association and has recently founded the Good Small Business Awards, the UK's first Business Sustainability Awards exclusively for small and micro businesses, recognising excellence in small business social and environmental impact and business sustainability.

Overall, he has developed a strong career as a Director, Non-Executive Director, Diversity and Inclusion Specialist, Business Sustainability Consultant and Business Community Engagement Ambassador. He brings his external skills to challenge, support and develop the Trust's strategy and to ensure that the Board acts in the best interests of children, young people and their families and the wider community.

## Declaration of Interests

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

## Political Donations

Alder Hey did not make any political donations during 2021/22.



## NHS Improvement's Well Led Framework

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

Due to the pressures on the Board arising from the COVID-19 response, the Trust has not undertaken a review against the Well Led Framework during 2021/22. The Trust plans to commission an independent review against the elements of the Well Led Framework during 2022/23 to complement a renewed Board development programme.

During the year we have built upon the work described in the previous year's Annual Report to improve and integrate our governance arrangements. A review of the effectiveness of the design and operation of the Trust Board committees was undertaken in-year by Mersey Internal Audit Agency which was given substantial assurance. The review concluded 'that there is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently'. Committees were confirmed as operating as set out in their Terms of Reference in respect of reporting, attendance and progression of actions and in accordance with each agreed committee work plan. Committee members were confirmed as being assigned to committees based on a skills and experience assessment. There is a consistent focus on risk and use of 'deep dives' for areas of exception or concern.

In support of the committees the Care Delivery Board was replaced by a re-modelled Risk Management Forum (RMF), a standalone meeting focussing on risk management reporting directly to the Audit and Risk Committee. The RMF acts as the operational assurance mechanism that links together the Board Assurance Framework and Corporate Risk Register, which in turn is informed by individual divisional and departmental risk registers, drawing on senior membership comprising the Executive Team and divisional triumvirates.

The Board Assurance Framework continues to be scrutinised by the assurance committees and by Board at its meeting each month to enable the Board to be fully sighted on key risks to delivery and the controls put in place to manage and mitigate them, as well as enabling all members to have an opportunity to identify key issues, concerns or changes. The Board also reviewed its Risk Appetite statements this year, incorporating risk thresholds for the first time; it is intended to develop this approach for specific strategic risks via the assurance committees during 2022/23.

# Patient Care

## Infection Prevention and Control

The extraordinary challenges of the COVID-19 pandemic continued to impact on the Trust, services and staff in 2021/22. The Team response to the pandemic has remained a huge focus whilst we navigate a path towards a new normal.

### Successes and Achievements

- The Trust appointed Dr Beatriz Larru as Director of Infection Prevention and Control in November 2020. During 2021/22 she has continued to oversee the pandemic response in addition to the core IPC functions of surveillance, audit, education and advice.
- Comprehensive COVID-19 guidance was continually updated and ratified at the Clinical Advisory Group. All guidance is in the COVID-19 hub on the Trust Intranet.
- The Pandemic Team - consisting of the Track and Trace Team, admin support, Swabbing Team and Fit Testing Team have provided an extraordinary 7-day service to Trust staff, their family members, children and young people and their families. The challenges presented by the Delta and Omicron variants of COVID-19 on the Trust and the Pandemic team were unprecedented. The Team provided amazing work and support to the Trust; in February 2022 we secured funding for the Team for another 12 months and additional staff are being recruited to support the work.
- During 2021/22 the Track and Trace Team contact traced and supported 1,330 Trust staff, who had tested positive for COVID-19.
- Continued participation in the SMART release protocol allowed COVID-19 exposed staff to remain safely in work. By the end of January 2022, 732 staff had participated in the Smart Release Programme:
  - 19 being identified as positive on day 1;
  - 25 on day 7;
  - This allowed 688 staff to remain in work.
- The introduction of an adapted SMART protocol in September 2021 enabled fully vaccinated staff members to safely work when they have a Covid positive household contact. By the end of January:
  - 425 staff had enrolled with this programme.
  - 68 staff were identified as positive and removed from the programme between day 0 and day 10.
  - 357 staff were able to remain safely in work.
- Collaboration with the Health and Safety Team in the implementation of Covid risk assessments, social distancing and implementation of Covid secure workplaces continued during 2021/22 allowing staff to feel safe in the workplace.
- The Fit Testing Team were accredited by the HSE as fit-to-fit testers. Compliance with fit testing for respirators at the Trust has remained over 90% for 2021/22.
- By the end of January 2022, 93% of Trust staff have received both doses of the Pfizer SARS-CoV-2 vaccine and 80% have also received the booster.
- Infection Control precautions implemented, contact tracing and swabbing have meant that the Trust has seen no outbreaks of COVID-19 during 2021/22.
- As a paediatric Trust, our children and young people are also particularly susceptible to other respiratory viruses such as influenza. Although low levels of influenza circulated in 2021/22, influenza vaccine uptake among staff was still 83% in 2021/22.
- The Trust Vaccination Team have delivered primary and booster doses of the COVID-19 vaccine to staff, 12 to 15 year old and 5 to 11 year old clinically extremely vulnerable children and young people. They have worked in partnership with external vaccination hubs supporting the delivery of the 12 to 15 year and 5 to 11 year vaccination programme. The Team has a programme planned for the delivery of vaccines to the healthy 5 to 11 year old cohort, staff boosters to include the Flu vaccine programme.
- The impact of lockdowns and the circulation of COVID-19 led to a surge of RSV cases in summer 2021 and a change from the normal seasonal winter pattern. Patients continued to present with RSV during the winter months and the prolonged period of circulation and high numbers did lead to an increase in the number of hospital acquired RSV cases from 2020/21 to 7 cases. This is the same number of cases identified over the last pre-Covid winter season in 2019/20.
- The IPC Team continued to hold post infection reviews (PIR) for all hospital acquired MRSA, MSSA, E. coli, Klebsiella and Pseudomonas spp. bacteraemia and Clostridioides difficile (CDT) within the Trust in 2021. The process aims to identify if there are any lessons that can be learned from these incidents; in 2022 these are being led by the divisions and embedded into the divisional governance structures before being fed into the Trust IPCC.
- Tendable (perfect ward) audits now include building services audits which monitor environment issues such as cleanliness, damage to fixtures and fittings and use of sinks. Audits of personal protective equipment (PPE) compliance has also been added to the programme in 2021. Plans are in development to add the new national healthcare cleanliness technical and efficacy audits to Tendable in 2022.
- The Community and Mental Health Division Infection Prevention and Control Nurse has continued to develop the IPC service in the community with the introduction of additional audits to look at the environment and PPE.



- The commencement of the 3rd Tissue Viability Nurse has allowed the Tissue Viability Team to offer a service to paediatric patients in the community either by attending clinics run at the Trust or in the patient's homes.

## STAR (Safe Together & Always Right) Review - Ward Accreditation Scheme and TENDABLE (Formerly Perfect Ward) Audits

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



In 2016, the Trust developed the Journey to the STARS – Ward Accreditation Scheme which was designed in partnership with children and young people. It is a quality and safety audit tool designed to give assurance of standards of practice by measuring the quality of care delivered by wards and department teams. The Ward Accreditation Scheme was re-introduced within the Trust in 2017 and the assessment criteria was adapted to enable other wards and departments to be included in the scheme.

The Ward Accreditation Scheme had been paused during the COVID-19 pandemic. During this time the audit tools and the process were reviewed and adapted to include some additional criteria as part of the assessment. The review of the audit tools resulted in the development of four models; an inpatient ward model, a short stay ward model, an outpatient services model and a specific model for the Inpatient Unit for Child and Adolescent Mental Health. Each of the 19 departments currently assessed under the scheme fit into one of the models identified.

As part of the review a mandatory safety checklist was introduced which would be considered by the Inspection Team following the assessment; if there are any negative responses to any of the categories identified within the checklist this results in the ward or department being given a WHITE grading. Should this occur, the Ward Manager/Team Leader is informed on the day as well as receiving some initial feedback from the Assessment Team. A member of the Assessment Team will return to the Department within three to four weeks to re-assess any breaches. If these have been resolved, the Department will receive the Award reflected by the overall scores. If the issues identified have not been resolved the department will remain on

a WHITE grading and a full accreditation assessment will be undertaken within the next three months. All assessments are unannounced.

The Inspection Team comprises both clinical and non-clinical staff and will welcome patient/parent representation once restrictions ease. Accreditation results are considered and discussed through divisional governance/performance review meetings and reported up to the Clinical Quality Steering Group via divisional quality reports. In addition, all reports and action plans are published on the Trust's Intranet to enable sharing of best practice and any learning across the organisation.

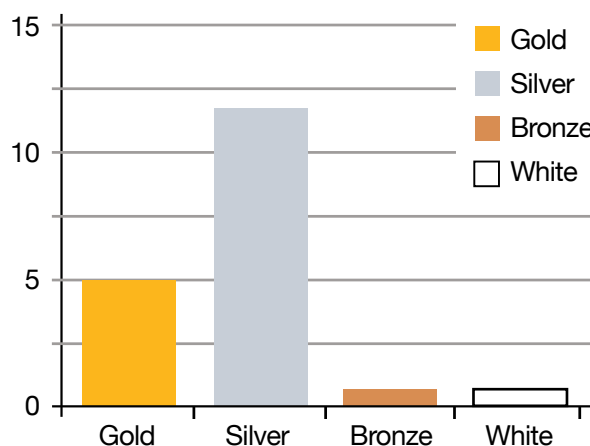
In the last year a total of 22 assessments have taken place in wards and departments throughout the Trust. Based on the outcome of the previous assessments, three wards/departments have maintained a GOLD award and two further wards/departments have achieved a GOLD award for their latest assessment.

The wards/departments currently with a GOLD award are as follows:

- Burns Unit
- Surgical Day Unit
- Ward 3C
- Clinical Research Facility
- Ward 1C - Cardiac

The overall Trust position indicated in the table below indicates that five wards/departments have achieved a GOLD award, 12 wards/departments have achieved a SILVER award, one ward/department has achieved a BRONZE award and one ward/department currently has a WHITE grading and is to be re-assessed within the next month.

### Current Position



## Tendable (Formerly Perfect Ward) Audits

In 2019, the Trust developed a Quality and Safety Audit in collaboration with an external company called Perfect Ward to enable regular audits to be undertaken in wards and clinical areas. The company rebranded themselves in 2021 recognising that healthcare inspections are not limited to wards only; they have changed their name to Tendable.

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

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

The Trust has developed five specific audit types within the App:

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

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

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

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

The Trust will be working with the company to enable a link from the Tendable servers to the Trust data warehouse, which will allow the Trust's Business Intelligence Team to create a dashboard from the data to further improve the visibility of how the organisation is performing in relation to the specific audits.



## Quality Priorities

This year the Trust adopted three quality priorities with each focussing on a key aspect of patient safety at Alder Hey. The priorities utilise the Brilliant Basics approach by understanding the problem to allow us to focus on what matters, reviewing our data and trailing changes and measuring their impact. Each of the priorities is a multi-year programme which brings together the Quality Hub, clinical front line staff and subject matter experts to develop an improvement plan.

### Priority 1: Deteriorating Patient

The Recognising and Responding to Acute Paediatric Deterioration (RAPiD) pathway has been developed and approved across all inpatient areas. Education and indepth testing of the pathway and measures of improvement have occurred in our most acute medical ward and is now rolling out to other wards.

Moving into the coming year the focus will be on:

- Aligning all aspects of patient deterioration into one programme;
- Continuing to learn from deteriorating patient data;
- Assessing the ability to use automated intelligence for the development of a preventability framework; and
- Preparing to implement national requirements as they develop.

### Priority 2: Medication Safety

Using the Brilliant Basics method for analysing the Trust's data around medication errors has focused attention on areas of high incident recording. Local teams have been supported by the Quality Hub to identify opportunities for improvement using our

Brilliant Basics problem solving thinking. We are in the process of working with clinical teams to support bringing their change ideas into practice and supporting teams to measure for improvement.

As part of the Medication Safety Programme, as well as targeting improvements at a ward/team level, a review of the current systems of control have been completed, which has identified an opportunity to enhance medicine safety management with some additional pharmacy resource.

### Priority 3: Parity of Esteem for Mental and Physical Health

Our commitment to involve children, young people and their families in Brilliant Basics has been fundamental to this work. Together, we have developed a training strategy that includes providing parents and carers with skills in mental health first aid, as well as the necessary knowledge and skills required for our workforce.

We are also working closely with our Digital Team colleagues to develop digital solutions to ensure we can evidence that more holistic care and treatment are provided through our "Ask, Do, Record" process.

A group of mental health champions has been established and continues to be built upon. Members of our workforce from across a variety of areas have come together to support the promotion and further development of the work and to further grow their reach and spread. The recruitment of a Consultant Nurse and nursing associate posts will provide opportunity to improve holistic care and treatment across all services therefore supporting improved outcomes for our children, young people and families.



The next phase for all three quality priorities will be to demonstrate spread of the current learning across the organisation which will be reflected in our safety data. The programmes are a key part of our safety strategy and will therefore report into the Patient Safety Board led jointly by the Chief Medical Officer and Chief Nursing Officer.

## Incident Reporting and Learning

During the year the Trust sustained its high rate of incident reporting via the National Reporting and Learning System (NRLS) which for the past four years has placed it among the best performers for patient safety incident reporting nationally.

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

The Trust continues to hold a weekly patient safety incident meeting, led by our Chief Nursing Officer via MS Teams which facilitates broad attendance. These meetings are open to all staff and the key messages for learning including any themes are shared across the Trust following each meeting. Actions for improvement are identified and tracked to completion via a monthly Trust safety group meeting. The meeting is attended by multidisciplinary staff from across the Trust and attendance has continued to increase in the past 12 months. The purpose of the meetings is to promote transparent incident reporting and promote learning and improvement. In addition to learning from incidents and near misses, the meeting incorporates and celebrates learning from excellence in practice reporting.

During this year we completely revised our Risk Management Strategy and developed an associated Risk Management Policy and Protocol to support the Trust's strategic objectives, including patient safety. Risk registers continue to be used interactively throughout the organisation and are fully embedded in the Trust's governance structures including the Board, its sub-committees and divisional integrated governance groups, to better drive the management and mitigation of risks.

During the year, regular meetings continued to be held to validate risks on risk registers with operational teams, ensuring that risks are identified, assessed, mitigated, and reviewed in a timely way. In addition, work has continued to further develop our governance risk processes thus providing assurance to the Trust Board regarding the effective management of risk. For example, COVID-19 risk register reports of all relevant risks have been overseen and scrutinised by the Board during the significant periods of the

pandemic. Training sessions continue to be available to all staff, including one to one and/or team sessions on request. Our risk management electronic system is currently out to procurement, with a view to developing and implementing improvements to risk management data capture and reporting to further enhance safety across the Trust.

## Quality Assurance Ward/Department Rounds (QAR's)

QAR's are designed to be learning events to support the golden thread of ward/department to board assurance, focusing on the CQC's five key lines of enquiry (KLOE), and associated regulations (Health and Social Care Act 2008 9regulated Activity) Regulations 2014 (Part 3) and Care Quality Commission (Registration) Regulation 2009 (Part 4). The assurance rounds facilitate a deep dive at ward/department/ specialty level into quality and performance, focusing on areas of good practice and actions being taken at a local level to address areas of risk. They are attended by the multidisciplinary teams from the services across the Trust, with both executive and non-executive directors attending. In addition to providing assurance, it is an opportunity for teams to seek and gain support from Board members for any areas of patient safety, experience, and effectiveness they are concerned about particularly those areas that may 'keep them awake at night'.

In 2021/22 the Trust's programme of QAR's was again impacted similarly to 2020/21 by the requirement to focus on the COVID-19 pandemic as a critical incident, focusing on delivering safe care to children, young people and their families, supporting adult critical care services, protecting our staff and latterly the restoration of safe service. However, the rounds were restored in May 2021 and a full programme of quality assurance rounds is planned for 2022/23.



Key themes to emerge during 2021/22 were as follows:

- Strong evidence that children and young people are at the heart and focus of staff practice, with good assurance evidence of outstanding practice in many services.
- QAR's have shown that risks identified on the Risk Register, particularly the high risks and those on the BAF, are aligned to many of the issues identified in the QAR's.
- First Trust in the country to return to above 90% for elective surgery following the second wave of the COVID-19 pandemic. This reflects the Trust's effective integrated working model, in addition to the commitment and dedication of our many teams.
- Increase in mental health needs of children and young people, adding additional pressure to service delivery.
- Consistent demonstration of high level of innovation during COVID-19 and agile working across many services, to support safe effective practice with significant benefit to patients.
- All services have a clear vision for their service, which is aligned with the Trust vision, in terms of building a healthier future for children, young people and their families.
- All inpatient wards hold daily safety huddles: safety huddles are short multidisciplinary briefings designed to give healthcare staff opportunities to understand what is going on with each patient and anticipate future risks to improve patient safety and care.
- Positive team culture and working together.
- Growing our own workforce for the future.
- Staffing gaps due to sickness and absence and the impact of COVID-19 on staff.
- Staff take pride in their work with the best people doing their best work.
- Increasing number of referrals post pandemic, greater than service capacity, managed via risk management systems.
- Recruitment challenges in some of the specialist services, primarily due to the specialist nature of those services and national shortages.
- Improved working with external partners.
- Good evidence of learning and improvements from incidents.
- Strong leadership evidence demonstrated across services.



## Trust Governance Model

Our well established governance model has continued to support the Trust's commitment to be a clinically led organisation, which has been incredibly beneficial during the two years of the pandemic.

The governance model at Alder Hey means that divisional directors are empowered to adapt arrangements within their own divisions, linked to strategic objectives in a way that ensures the best outcomes for the patients in our care, with the best experience possible for children, young people and families throughout their journey. Our divisional directors for medicine, surgery and community and mental health services attend board meetings as members of the Executive Team, improving engagement and cross-divisional working, providing enriched debate, and supporting effective decision-making both strategically and at operational level.

The strength of this approach has been clearly visible during the past two years when we have all needed to significantly adjust our ways of working to keep our patients and staff safe, while delivering a quality driven service; this clearly benefited both patients and our staff from Ward to Board and kept us all safe as far as possible, through effective management of risk.

## NHS Volunteering England

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

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

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

## Alder Hey Volunteers

Volunteering is a key enabler in transforming the way the NHS works with local people and communities. During 2021/22, Alder Hey continued to review and develop its Volunteering Programme to ensure continued delivery of good practice to our volunteers and staff during a time of uncertainty. The Volunteering Department's ambition was to grow and develop our volunteering force, offering excellent opportunities that would make a huge impact on our children and young people and their families' experience, as well as the benefits for the individual Volunteer. We have ensured through our robust and established recruitment and training process that the programme is accessible and inclusive. We have opportunities for a diverse range of people and volunteers who reflect the communities in which we work; this has included involving people who experience the most health inequalities. We are proud and privileged to have more than 300 volunteers working at Alder Hey.

## Benefits to the Trust

During 2021/22, volunteering contribution to the Trust has been invaluable, now more than ever. The response of current volunteers, new volunteers, former staff, and students has been nothing short of inspirational, and has played a major role throughout the pandemic.

Volunteers have continued to provide a vital front of house function, ensuring that visitors are reminded of the safety precautions they need to take whilst moving about the hospital. They have also continued to give their time to support clinical colleagues in a myriad of ways and always going the extra mile. Our volunteers dedicated over 35,000 hours to the Trust, allowing clinical staff to concentrate on care giving whilst volunteers provide companionship, play activities, and staff support which enabled an improved patient experience. Our volunteers also played a crucial role in the services we provided to adult ICU patients.

### Volunteer Roles 2021/22

#### Winter Pressure Volunteer Programme ED

NHS England awarded Alder Hey financial support to increase resilience in our volunteering service to contribute to reducing pressure on our staff and the Trust services. This is a short-term national programme ("the Work") and is intended to: support the restoration of our services; contribute to reducing winter and COVID-19 pressures; improve our patient experience and safety and support staff wellbeing and safety. The Work will contribute further evidence of the impact and value volunteering brings to our children, young people and staff and highlight the contribution volunteers can make to overall efforts to reduce pressure across services.

#### Hand Hygiene Stations

Volunteers manned and oversaw hygiene stations to ensure all visitors and staff adhered to COVID-19 prevention measures upon entry to the hospital. This also involved enforcing visiting restrictions and hand sanitisation.

#### Alder Hey Face Coverings

Volunteers were involved in the collection, preparation, and distribution of cloth face masks daily.

#### ICU Adult Support

Volunteers who were part of the Family Liaison Support Team helped deliver messages from loved ones to Adult ICU patients. In addition to this,

volunteers were also part of the proning team which supported ICU nurses when adult patients were in the hospital.

#### Ronald McDonald House

Volunteers were tasked with the day-to-day running of Ronald McDonald House whilst paid staff were furloughed.

#### Assembling Staff COVID-19 Testing Kits

Volunteers played a significant role in packaging and preparing self-testing kits to Alder Hey staff. This was in addition to supporting the Alder Hey Vaccination Programme.

#### Bleep Volunteers

Volunteers are on call to collect medication to speed up discharge, help families to Ronald McDonald House or car park and assist at busiest times within the Trust to aid winter pressures.

#### Smoking Advisors

Training is provided to our volunteers by Smoke Free Liverpool to offer assistance to those who wish to give up smoking.

#### Concierge Service

This service is an advocate for families offering support from our volunteers alongside the Concierge Team.

### Social Prescribing Volunteers

Volunteers work with our CAMHS Department to support staff with social activities.

### Volunteer Mentors

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

### Mealtime Facilitator

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

### Baby Cuddling

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

### Play Support

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

### Clinical Psychology Family Referral

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

### Bedside Play

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

### Ready Steady Go Volunteers

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



## Achievements in 2021/22

### Queen's Award for Voluntary Service

In June 2021, volunteers at Alder Hey were honoured with the Queen's Award for Voluntary Service, the highest award a voluntary group can receive in the UK. The Queen's Award for Voluntary Service aims to recognise outstanding work by volunteer groups to benefit their local communities. Volunteers are often the first people families, children and young people see - the 'smiling face' of Alder Hey, always ready to help with an open smile, helping hand and comforting shoulder. We are proud and delighted that the volunteers' work has been deservedly recognised with the Queen's Award.

### Volunteer to Career Project

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

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

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

### Digital Innovation

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

### Volunteer Learning Passport (VLP)

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

## Complaints

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

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

The COVID-19 pandemic had an impact on the way the Trust received and responded to some concerns. Parents and carers who raise a formal complaint are offered the opportunity to attend a meeting to resolve their concerns or to receive a written response. However due to the COVID-19 pandemic the Trust

was unable to hold face to face meetings and therefore where a meeting was requested, this was held electronically on Microsoft Teams or delayed in agreement with the parent. The pandemic also meant that the PALS office was closed to family and visitors wanting to raise any concerns face to face. However PALS remained fully operational and accessible to parents as the Trust established a Family Support Helpline to help parents and carers with any enquiries and concerns. This successfully helped to resolve queries quickly and has contributed to a lower number of PALS concerns over the year. The PALS office was fully COVID-19 risk assessed and re-opened in January 2021 with appropriate infection control measures taken.

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



The table below shows the number of formal complaints received was comparable to the previous year. The number of informal PALS concerns has significantly increased; this is associated with significant reduction in the previous year due to the pandemic and an increase in contacts this year in regards to appointment waiting times affected by the pandemic. The number of informal PALS contacts jointly during the pandemic era of 2020/21 and 2021/22 remains comparable to pre pandemic.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Formal Complaints</b>	166	134	70	66	83	121	114	159	158
<b>PALS</b>	1248	1133	1246	1294	1349	1371	1279	915	1524

## Learning from Complaints and PALS

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

- Pre-admission pathway and documentation amended to ensure that all information sent to families is accurate.
- Where a patient is waiting for their allocated bed to become available, they are allocated a comfortable waiting area and offered a meal voucher to patients to obtain a hot meal from the canteen or arrangements for a hot meal are delivered to the ward.
- Patients who are having spinal surgery are provided with a patient information leaflet regarding spinal surgery at pre-op appointment and on discharge.
- Improved documentation to help improve communication of the risks associated with anaesthesia given to patients prior to surgery.
- Audited the screen waiting times in ED to ensure accuracy.
- Standard Operating Procedure (SOP) devised for the ASD administration staff which includes record keeping standards to ensure all clinical contact is recorded on a child's medical record; training has been put in place to support the implementation of the SOP.
- ASD referral form captures details of parental responsibility and agreement about the referral from both parents where possible. Parents who share joint parental responsibility but live separately will both be invited to contribute to assessment.
- IT systems being improved to allow two parents to automatically receive appointment letters and correspondence.
- Where siblings require appointments, we try to accommodate these on the same day to avoid families making multiple trips to Alder Hey.
- Training session held for ED staff on infant reflux.

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

We will also focus on how we can support our children and young people to raise concerns and formal complaints on their own behalf as most of the current issues are raised by parents.

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



## Stakeholder Relations

### Involvement in the Local Health Economy

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

Alder Hey is committed to co-creating system-wide collaboration and shared models of care with our strategic partners to ensure equity of access to high quality care. In order to achieve this, the Trust has continued to work proactively with local, regional and national stakeholders. During 2021/22 the Cheshire and Merseyside Integrated Care System partnered with Alder Hey to establish the new Children and Young People's Transformation Programme; this has a wide range of local authority and health partners all coming together to drive up outcomes and drive down inequalities for children, young people and families and is hosted by Alder Hey on behalf of the system.

During 2021/22, Alder Hey worked in partnership with commissioners and health and care providers to develop the 'One Liverpool' plan, which incorporates a clear focus on "Starting Well" to develop healthier futures for Children and families. This plan prioritises closer working around children and families at a local network level to provide better support closer to home. Alder Hey has established partnership working with Liverpool City Council's Public Health Team through a joint public health appointment with a shared associated workplan focused on prevention and addressing the wider determinants of health. We also work with partners in Sefton and Knowsley to ensure similar prioritisation

of improvements in services for children and young people.

Alder Hey works closely with a wide range of trade unions, partner organisations, volunteers as well as our Council of Governors to continue to improve the quality of our services and patient and family experience.

During 2021/22, Alder Hey continued to drive partnerships described in our strategic plan to 2024. "Our Plan" prioritises strengthening existing partnerships and developing new ones to achieve the following aims:

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

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



“Alder Hey is committed to co-creating system-wide collaboration and shared models of care with our strategic partners”

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

Alder Hey continues to jointly host the North West Paediatric Partnership Board with Royal Manchester Children's Hospital and in close liaison with NHS England to ensure shared oversight of all our paediatric networks. Alder Hey executive directors meet with Manchester Children's executives on a quarterly basis and jointly hold an annual clinical network event to share best practice and promote good governance. The nationally mandated operational delivery networks (ODN) for paediatric services include: Neonatal, Trauma, CHD, Paediatric Critical Care, Surgery in Children (PCC/SIC) and the newly formed Children's Cancer ODN. Alder Hey hosts the Neonatal and CHD networks, and jointly hosts the PCC/SIC ODN alongside RMCH.

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

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

- Children and Young People's Transformation Programme (Hosted at Alder Hey – Alder Hey's Chief Executive is the programme's accountable Senior Responsible Officer)
- Liverpool, Sefton and Knowsley Place-based partnership groups
- Cheshire and Merseyside Acute and Specialist Trust (CMASST) provider collaborative
- Cheshire and Merseyside Learning Disability, Mental Health and Community (MDMHC) provider collaborative
- Cheshire and Merseyside ICS Mental Health Programme Board – Alder Hey is an integral member and takes the lead on children and young people's crisis care model.
- C&M Digital Programme (Hosted at Alder Hey – Alder Hey's Chief Executive is the programme's accountable Senior Responsible Officer)

## International Child Health Developments

Formed in 2018, the Department of International Child Health (ICH) has continued to support the Trust to deliver its strategic aim to be an internationally recognised children's Trust of excellence.

The Department's focus is on six key themes; international health partnerships; humanitarian 'mission'

work; commercial/business development; education and training; research; and innovation. Our aim is for International Child Health to be a core aspect of what we do at Alder Hey.

The development of the Department was making good progress, but has been significantly slowed by the COVID-19 pandemic, affecting both Alder Hey and our international partners.

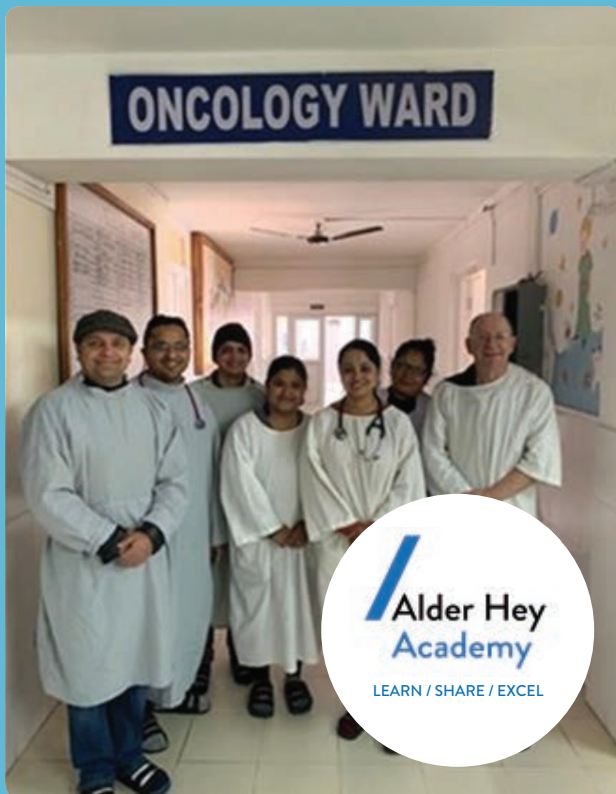
Towards the end of 2021, we undertook a major initiative to re-energise the Department; a process that should be completed in 2022.

The re-organisation includes the involvement of Garth Dallas, a new Alder Hey Non-Executive Director with a strong profile in international work together with Claire Liddy, Head of Innovation as Executive lead. The Department will be restructured with new Terms of Reference.

The Department of Business Development has embraced international reach and is developing strong global interest and international partnerships. Partnerships being developed include those with India and Dubai.

Despite the pandemic, Alder Hey staff have continued to be active overseas.

- The International Business Development Unit has developed an international second opinion digital telehealth platform.
- Our longstanding partnership with Kanti Children's Hospital, Kathmandu, Nepal continues under a large UK Government grant in partnership with the UK-based charity, World Child Cancer.
- Our staff have undertaken humanitarian missions to India, Africa and Palestine. These include undertaking cardiac surgery in collaboration with the charity Healing Little Hearts and the development of burns services with Interburns, a global charity.
- We have hosted clinical observers in collaboration with the Royal College of Paediatrics and Child Health.
- We have collaborated with external agencies and hosted international visitors from a number of countries.
- Our long-standing relationship with Blantyre in Malawi continues.
- The Department of Oncology has received two children with cancer and their families evacuated from war-torn Ukraine.



During 2021/22 the Alder Hey Academy was restructured to bring together a number of different teams all focused on supporting the development of our current and future staff. Now comprising Medical Education, Clinical Education, Learning and Development, Apprenticeships and Events as well as our Vocational Programmes and Schools and College Outreach, the Academy aims to 'support a healthier future for children and young people through educational excellence'.

In response to the COVID-19 pandemic, some areas of our activity such as onsite events and work experience were suspended. Other areas however continued with modification or were enhanced to meet the needs of staff, students, volunteers and wider networks during this time. The increased use of virtual platforms and wider digital technologies brought with it opportunities to connect specialists at local, regional national and international level and although the frequency of our major on-line conferences was reduced due to service pressures, we had some notable successes.

The Liverpool Childhood Obesity Conference (13-14 May 2021) for example, attracted over 800 delegates from 46 countries. Sessions were designed to outline and address contemporary issues and perspectives in supporting children and young people with obesity. Delivered by national and international experts, the conference included perspectives from psychology, physiology, public health, and genetics. We have also managed a number of virtual conferences including

a Cardiology Symposium, Foundations to Paediatric Oncology and a Hypoglycaemia Study Day in conjunction with Great Ormond Street Hospital and the Royal Manchester Children's Hospital. More recently we have supported our ENT Department and the North West Deanery to run a series of study days and events linked to FRCS examinations.

Our in-house leadership development programme 'Strong Foundations' resumed in an adapted format for delivery via our virtual learning environment and MS Teams. Over 150 leaders and managers booked onto the programme in 2021/22 and due to its success, there continues to be a huge demand for places with over 100 staff on the waiting list for cohorts starting in 2022/23. Wider learning and development opportunities included the local Mary Seacole leadership development programme, coaching, 360 feedback and working with teams to support them in a range of topics including resilience, team functionality and improvement projects. A range of adapted approaches were also employed to support staff meet their mandatory training requirements across the year as well as upskilling education leads across the Trust to deliver remote/blended learning.



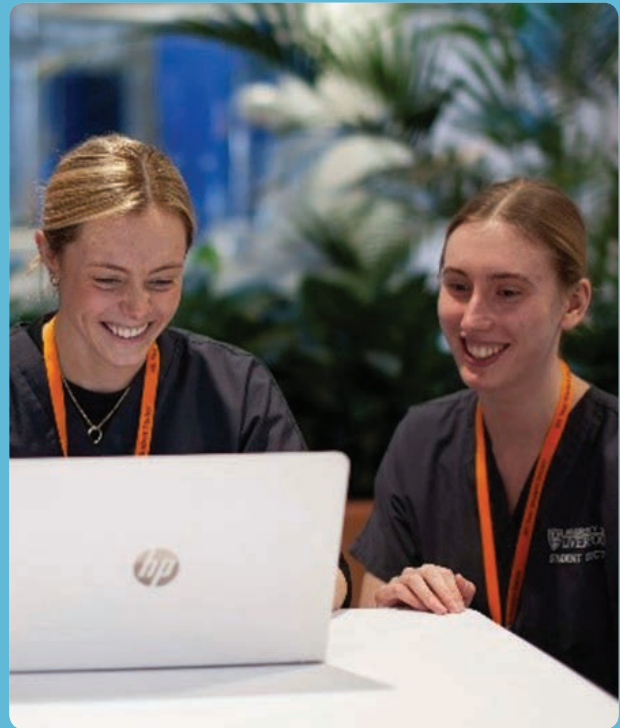
Notwithstanding the national pandemic, 2021/22 saw major increases in the number of students on placement with us – reflecting national workforce priorities. We are a major provider of education and training for doctors, nurses, and allied health professionals and partner with several universities and other education providers to offer a range of learning opportunities for pre and post registration students.

In 2021/22, some 800 University of Liverpool medical undergraduates trained with us and we facilitated 832 student nurses to undertake 1604 placements during the year, many of whom gained their first job with us. 2021/22 also saw the first cohort of registered nurse degree apprentices commence in September, which enabled us to support nine applicants to undertake the 4-year programme in partnership with UCLAN.

Expanding our Apprenticeship offer is a key focus for us and in 21/22 we again saw an increase in the range of apprenticeship subjects being studied across the Trust. We currently have over 180 staff on apprenticeship programmes and work with 22 apprenticeship training providers across the North West to offer qualifications in 35 different areas. Subjects include Healthcare Support Worker Levels 2 and 3, Business Administration Levels 3 and 4, Digital User Experience Professional Level 6, Social Worker Level 6, Physiotherapist Level 6 to Accountancy and Taxation Professional and Advanced Clinical Practitioner at Level 7. Working with a number of different HEIs, colleges and independent training providers ensures we are able to offer diversity in the range and type of apprenticeships across the Trust, which in turn means we can support individuals and teams' career development and workforce planning.

This year we saw a 19% increase in new staff joining the Trust as an Apprentice which means that, as a large employer in the Liverpool City Region, we are also supporting the wider local skills agendas in terms of improving education and supporting social mobility.

Our Apprenticeship Team supports divisional leads, managers and staff with expert information, advice and guidance to help increase the numbers and utilise the Trust Levy as well as managing all quality assurance aspects associated with apprenticeships.



Year on year we have seen an increase in staff completing and graduating in their chosen subjects, which is a testament to the managers and mentors who support them.

Reflecting our role as an anchor institution within the City and given the need to attract talent from across a wide range of communities we have worked with internal and external partners on a major refresh of our vocational, schools and colleges programmes. Alder Hey has an ideal opportunity to improve local residents' health through the way we interact with local communities and our local economy, and we have introduced a number of new programmes during the year.

Participation in work-based learning experiences, such as internships and other educational activities can be integral to young people's success in gaining employment and the foundations have been laid in 21/22 for a supported internship programme (commencing 2022). We have also agreed an innovative partnership with the Prince's Trust and secured funds to create a Young Volunteers Programme for those with a disability and/or long-term condition as part of our overall programme focused on diversity and inclusion. We want to kickstart young people's awareness of roles in the NHS early, at a point when they first start to consider their career choices, and to highlight how multi-faceted this dynamic sector is. As a result, our Inspiring Futures Programme will see us working with children and young people from across the City in new and innovative ways in the coming months.





## Alder Hey in the Park – Our Vision for the Alder Hey ‘Campus’

Alder Hey’s vision of a specialist campus for children and young people’s health has continued with the demolition of several old hospital buildings during 2021 and phase one and two of Springfield Park reinstatement completed; phase three is due to be completed by the summer of 2023 in agreement with Liverpool City Council.

In 2020 we commenced building two new developments: the Catkin Centre and Sunflower House. Sunflower House is a purpose-built Tier 4 children’s Mental Health Unit, expanding services from 7 to 12 beds, together with the Catkin Centre, a clinical hub for child and adolescent mental health and neurodevelopmental outpatient services. These are due to open in July 2022.

Other specific elements of the campus development are described below:

### Expansion of Neonatal Service

The Trust has progressed with its plans for the development of a 22-cot purpose built Neonatal Unit which expands the current neonatal capacity by 15 cots. The new Neonatal Unit design has been evolving over the last year in consultation with staff and families and work will be commencing on the construction in summer of 2022. The new building will sit in front of the current Emergency Department, which will also be expanded into the lower floor of the new accommodation with the addition of a Paediatric Assessment Unit. The development has been designed with input from a variety of stakeholders including parents, children and young people and is currently out to tender with a planned opening in 2023.

The above development will involve moving the current

Emergency Department car park to the opposite side of the emergency ambulance road and in front of the Institute in the Park building; a new drop off point is to be positioned near to the Emergency Department.

### Infrastructure

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

A major plan which addressed connections and routes for electricity, water, fire mains, data routes, drainage systems, vehicle access and pedestrian routes has been work in progress over the last 12 months to accommodate the new buildings currently due to open on the site in July.

### Social Prescribing

The development of a base camp for use by the Child and Adolescent Mental Health Service will be developed with the installation of a small dome activity facility. This will sit within the hospital grounds but with an outlook over Springfield Park for a forest school, music and art based plan. This will be one area of focus during 2022.

### Innovation Park

Over the last year the Trust took the decision to move many of its corporate functions to an office facility at Innovation Park, approximately two miles away from Alder Hey and introduced an ‘activity-based working’ model. The new way of working combines a level of home and office-based working allowing flexibility for staff and a reduction on the overall space required for office accommodation. The facility which is being leased has been completely refurbished to provide a modern and flexible space for staff.

## The Alder Hey Children's Charity

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

In the past year our supporters have helped us raise over £6million with the Charity spending £5.7million on charitable activity in 2021/22.

### Charitable Funding

In Spring 2020 the Charity launched its '7 in 10' Children's Mental Health Appeal and thanks to the support of amazing donors, has raised £2.75million to date to support the Trust to provide the family-friendly enhancements required for Sunflower House and the Catkin Centre. In addition to this, the Charity has also funded artwork for the new buildings to ensure the best environment for our young patients, along with five PlayStation 5's to support distraction therapy. As part of its long-term commitment to mental health and wellbeing, our Charity continues to fund two posts in creative arts therapies that sit within Clinical Health Psychology.

£178,000 of donations have enabled the Trust to develop the 3D/4D echocardiography service, providing cutting edge technology to visualise cardiac structures, improving diagnosis and surgical planning. This includes the purchase of a 4D echocardiography machine and 4D echo probes which will be used to enhance current machines. This will allow 'live' 4D images from inside the heart to be available for the interventional and surgical teams during procedures to guide treatment.

Donations have enabled the Trust to purchase an ophthalmic imaging machine, which allows the Ophthalmic Team to improve the quality of clinical assessments by providing higher resolution retinal images whilst improving the experience for our young patients and therefore reducing the distress and anxiety caused. The use of this equipment will also reduce the number of

patients who require general anaesthetic to obtain similar images.

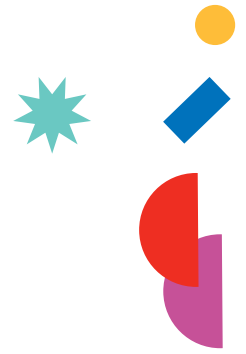
The Charity has supported software development to ensure that systems within the Trust operate in the most advanced ways, including implementation of a networked system of infusion pumps that have released additional staff time for patients.

The Charity has also provided vital investment in research and innovation. A multi-year grant of £340,000 supports five senior researchers and has enabled 10 clinicians new to research to start their first research projects at Alder Hey. The Charity continued to support the Innovation Team with £200,000 of funding for several posts that enable the development of pioneering solutions to respond to the current challenges faced within child healthcare.

Our Charity understand how important it is for children to have the opportunity to play and be creative, even when they are poorly. It has provided over £50,000 towards additional toys, craft materials and play equipment with the help of donations from supporters. This has included a specific pot of funding to enable the hospital to purchase a range of more diverse toys, including ones that have similar medical equipment to that which some of our children need to use.

Donations have once again supported the Arts for Health Programme which has allowed us to continue to facilitate arts experiences for children, including virtual music and dance sessions for patients and staff during restrictions.

The Charity is excited to have provided our amazing physiotherapy and endocrinology teams with £37,662 for their Alder Active Exercise Programme; designed to support children to exercise in safe ways. In addition, it has also granted £20,000 match funding to Liverpool Football Club Foundation which helped them to secure £120,000 from the Premier League and Professional Players Associations to run and expand their Move Programme within the hospital; supporting children with respiratory conditions and endocrinology patients with complex needs.



“  
Our Charity understand how important it is for children to have the opportunity to play and be creative, even when they are poorly”



In 2021 the Hospital officially opened the Alder Centre, a bereavement centre fully funded by the Charity to provide a warm, welcoming space to act as a meeting place for families where they can develop support systems. This year the Charity has continued to support the Centre by providing funding for a number of activities, including holistic therapies for families.

The Charity has continued to support Alder Hey staff through this difficult year, providing match funding for a new staff space that will be built in 2022/23, for staff care packages at Christmas and also providing treats throughout the year thanks to the generous support of corporate partners who have provided gifts in kind for staff. In addition, the Charity supported new initiatives such as the Emergency Department's wellbeing week.

Donations have enabled many clinicians to attend specialist conferences, whether virtually during the pandemic or more recently in person, where they can enhance the skills they bring to the hospital and learn new and innovative ways of working.

The Charity also launched its Surgical Neonatal Appeal with a target of £3million to help create a wonderful environment for parents in our new Surgical Neonatal Unit at Alder Hey, allowing families to stay even closer to their new-borns during their care.

### NHS Charities Together

This year has seen our Charity partner with NHS Charities Together to administer their £1.2m stage 2 multi-year grant within the Cheshire and Merseyside region. This has enabled a number of community partners to work with NHS providers, including Alder Hey, on new projects supporting patients across Cheshire and Merseyside. This is an important step forward in community partnership and outreach and our Charity is proud to have been able to play its part.

### COVID-19

2021/22 has continued to be a very challenging year for NHS colleagues and wider society in general with the impact of COVID-19 continuing. Whilst the Charity began to be able to undertake some of its usual events (such as Oli's Safari Walk where over 1,000 supporters attended) other events saw reduced numbers or could not be held, including overseas challenges. Our Charity Retail Shop had nearly a full year of trading following a number of closures the year before and has seen great support from the local community.

We're very proud of how our Charity continued to adapt during this period and find new ways of working, combining face to face and online events. The Charity continued its TV campaigns and looked to new technology to support appeals, such as the use of smart speaker technology for legacy information.

### Our Supporters

None of this would be possible without our incredible supporters who have continued to generously support Alder Hey. Without donations, many of the outstanding facilities and innovations to help patients and families simply could not have been provided.

Our fundraising community has raised incredible amounts for our brave young patients through a huge range of activities. This included 101 lit up tractors that took to the streets in December for the second year running to raise an amazing £63,000; over 400 runners who turned out in the rain to raise money through a 5k sponsored run at Southport Pleasureland; and 18 teams who took part in the Coniston Challenge. The Charity also ran its first ever Art Event, which raised over £50,000 towards the '7 in 10' Children's Mental Health Appeal.

We are so grateful for the support of the charitable trusts which have provided over £0.7m of funding and the corporate supporters who have provided over £1m of donations and have helped bring significant advancements to Alder Hey this year.

2,491 people gave a regular monthly donation to Alder Hey including, 611 new regular supporters, enabling our Charity to support children now and into the future with their committed support. We are very grateful to the 32 individuals who left a gift in their Will to Alder Hey, creating a lasting impact for children and families.

Thanks so much to everyone who donates in their own way, for all the one off and regular gifts, for supporters who play our lottery, times that volunteers come and support us with events and in our Charity Retail Shop, all the donations of clothes and furniture, and all the wonderful support we receive on social media for our campaigns and our amazing children's hospital.



## Future Plans

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

COVID-19 has impacted growth plans; however Alder Hey Children's Charity remains committed to sustainably growing fundraising income to support our vision for a healthier future for children and young people. We plan to continue investing in growth areas and maximising current opportunities. 2022/23 will see investment in the Charity's Community Team to support the new events planned for the coming year; investment in the Data Team to ensure we are maximising the information available to our teams; and further development of the Grant Funding Programme to trial a small grant funding round to enable staff across the Trust to bring innovative and practical solutions to patient lives every day.

Having launched the Neonatal Appeal with a target of £3 million, the Charity will be working hard on different ways to raise funds and ensure that the building can be everything it needs to be to support families in the future.

Over the next year the Charity will be looking again at its four funding pillars of Campus, Medical Equipment, Research and Innovation, and Magic, to ensure they fit the strategic needs of the hospital and allow us to get the funding to the children and young people who need it most. They will be looking at ways that we can further thank our supporters for everything that they do for our brave young patients and they are really excited to be able to run all of their events again, providing lots of opportunities to raise funds and have lots of fun at the same time.

Most importantly and as always, this year the Charity will continue to focus on supporting Alder Hey to build brighter futures for our children and young people.



# Remuneration Report

## Annual Statement on Remuneration

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

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

## Remuneration Committee Membership 2021/22

Members of the Remuneration Committee during the year were as follows:

- |                          |                                 |
|--------------------------|---------------------------------|
| • Committee Chair        | Dame Jo Williams                |
| • Vice Chair             | Ian Quinlan                     |
| • Non-Executive Director | Anita Marsland                  |
| • Non-Executive Director | Claire Dove (to September 2021) |
| • Non-Executive Director | Shalni Arora                    |
| • Non-Executive Director | Fiona Marston                   |
| • Non-Executive Director | Kerry Byrne                     |
| • Non-Executive Director | Fiona Beveridge                 |
| • Non-Executive Director | Garth Dallas (from Nov 2021)    |

The Chair undertakes the annual appraisal of the non-executive directors and the Chief Executive, who in turn is responsible for assessing the performance of the executive directors. The Committee convened twice during the year: in September 2021 and February 2022. All meetings were quorate. The following items of business were approved and supported:

- Executive Director incremental progression and review of salaries as appropriate.
- Agreement to not award a national cost of living increase for VSM's, in line with national guidance.
- National pensions taxation issues and their implications, together with a supporting policy for extension.

- Acting CEO remuneration for the Deputy CEO, covering a period of absence of the CEO.
- Executive Director non-consolidated recognition payments for additional responsibilities.

Advice which assisted the Committee in their consideration of these matters was provided by Louise Shepherd, Chief Executive Officer, John Grinnell, Acting Chief Executive Officer and Melissa Swindell, Chief People Officer.

## Remuneration Committee Attendance 2021/22

Member	September 2021	February 2022
Dame Jo Williams	✓	✓
Ian Quinlan	✓	✓
Anita Marsland	X	✓
Claire Dove	X	n/a
Shalni Arora	✓	✓
Fiona Marston	✓	✓
Kerry Byrne	✓	✓
Fiona Beveridge	✓	✓
Garth Dallas	n/a	✓

## Senior Managers' Remuneration Policy

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

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

The Committee also receives professional independent reports as appropriate, based on objective evidence of pay benchmarking across a range of industry comparators.

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

## Senior Managers’ Remuneration Package

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

Pay in lieu of pension will be considered on a case-by-case basis; there are two senior managers currently in receipt of this component.

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

There are two senior managers who during the year were paid more than £150,000 (this figure being the threshold used in the Civil Service for approval by the Chief Secretary to the Treasury as per Cabinet Office guidance and considered by NHS Improvement as an appropriate benchmark for NHS foundation trusts). These were the Chief Executive and the Chief Medical Officer. The Trust is satisfied that for these roles the level of remuneration is reasonable for the responsibilities carried and benchmarks appropriately with comparable organisations.

## Non-Executive Directors

The Nominations Committee of the Council of Governors is responsible for setting the remuneration, allowances and other terms and conditions of non-executive directors. It comprises one appointed Governor and two elected governors, one of whom must be a staff Governor and the Trust Chair (or Acting Chair in the case of the appointment of a new substantive Chair). The Chief Executive participates in the activities of the Committee in an advisory capacity. The Committee’s duties are to review the balance of skills, knowledge and expertise required on the Board in the context of the challenges ahead and in this context to agree job roles, person specifications and modes of advertisement, to undertake 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 various stakeholders including members of the Board, Council of Governors, Children’s Forum

and other provider chairs in accordance with the Framework for conducting annual appraisals of NHS Provider chairs, issued as guidance by NHS Improvement and England in September 2019.

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

During 2021/22 there were a total of 18 board directors in post across the period. Of these, seven individuals claimed £2,195 in expenses; for 2020/21 the figures were four directors claiming £7,564 in expenses.

In the year there were 25 governors in office. The total amount of expenses paid to governors in 2021/22 was £0 whereas in 2019/20 six governors claimed £6,160. Due to COVID-19, meetings and activities involving governors were undertaken virtually.

The HM Treasury FReM requires disclosure of the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid Director (as defined as a Senior Manager in paragraph 2.33 and paragraphs 2.49 to 2.53), whether or not this is the Accounting Officer or Chief Executive. The calculation is based on full-time equivalent staff of the reporting entity at the reporting period end date on an annualised basis.

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Director in the organisation in the financial year

2021/22 was £190k-195k, versus £230k-235k for 2020/21. This is a reduction of 5% year on year.

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

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £564.70 to £218,051 (for 2020/21 the figures were £1,379.79 to £229,289). The percentage change in average employee remuneration year on year is a 13% increase. No employees received remuneration in excess of the highest-paid Director in 2021/22.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2021/22	25th Percentile	Median	75th Percentile
Salary Component of Pay	£192,500	£192,500	£192,500
Total Pay and Benefits Excluding Pension Benefits	£27,427	£39,316	£52,226
Pay and Benefits Excluding Pension: Pay Ratio for Highest Paid Director	7.02:1	4.90:1	3.69:1

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

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

Signed:



**LOUISE SHEPHERD CBE**

Chief Executive  
20th June 2022

# Salary and Pension Entitlements of Senior Managers

## Total Remuneration

Name	Title	2021/2022					2020/2021				
		Salary (Bands of £5,000) £000s	Expense Payments (Taxable) (Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s	Salary (Bands of £5,000) £000s	Expense Payments (Taxable) (Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s
Louise Shepherd	Chief Executive	190-195	25,700	0	15-15.5	235-240	190-195	0	0	95-97.5	290-295
John Grinnell	Director of Finance / Deputy CEO	155-160	800	0	22.5-25	180-185	145-150	0	0	27.5-30	175-180
Nathan Askew	Chief Nurse	115-120	0	0	52.5-55	170-175	45-50	0	0	17.5-20	60-65
Nicola Murdock	Medical Director	190-195	0	0	0	190-195	230-235	0	0	0	230-235
Alf Bass	Medical Director	45-50	4,500	0	0	55-60	0	0	0	0	0
Melissa Swindell	Director of Human Resources	115-120	0	0	22.5-30	135-140	110-115	0	0	12.5-15	125-130
Adam Bateman	Chief Operating Officer	125-130	200	0	35-37.5	160-165	120-125	0	0	25-27.5	145-150
Dame Jo Williams	Chair (R)	35-40	600	0	0	40-45	35-40	100	0	0	40-45
Shalni Arora	Non-Executive Director (R)	10-15	0	0	0	10-15	10-15	0	0	0	10-15
Fiona Beveridge	Non-Executive Director (R)	10-15	0	0	0	10-15	10-15	0	0	0	10-15
Fiona Marston	Non-Executive Director (R)	10-15	0	0	0	10-15	10-15	0	0	0	10-15
Claire Dove	Non-Executive Director (R)	5-10	0	0	0	5-10	10-15	0	0	0	10-15
Ian Quinlan	Non-Executive Director (R)	15-20	0	0	0	15-20	10-15	0	0	0	10-15
Kerry Byrne	Non-Executive Director (R) (A)	15-20	0	0	0	15-20	15-20	2,600	0	0	15-20

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

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

Name	Title	2021/2022					2020/2021				
		Salary (Bands of £5,000) £000s	Expense Payments (Taxable) (Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s	Salary (Bands of 5,000) £000s	Taxable Benefits (To the Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s
Anita Marsland	Non-Executive Director (R) (A)	15-20	0	0	0	15-20	10-15	0	0	0	10-15
Garth Dallas	Non-Executive Director (R) (A)	0-5	0	0	0	0-5	0	0	0	0	0
Erica Saunders	Director of Corporate Affairs	110-115	0	0	12.5-15	120-125	105-110	0	0	0	105-110
Mark Flannagan	Director of Communications & Marketing	100-105	0	0	25-27.5	130.135	100-105	0	0	25-27.5	130-135
Kate Warriner	Chief Digital & Information Officer	120-125	0	0	40-42.5	165-170	115-120	11,900	0	70-72.5	200-205
Dani Jones	Director of Strategy	115-120	0	0	37.5-40	155-160	110-115	0	0	35-37.5	145-150

- Louise Shepherd opted out of the NHS Pension scheme in year and Alf Bass chose not to be covered by the pension arrangements all year but both now take part in the Trusts Pension Contribution Alternative Award Scheme. The figures in their taxable benefits relates to the respective Pensions Restructuring Payments from the scheme that they received in the 2021/22 year.
- Nathan Askew, Chief Nurse. Commenced employment 9th November 2020.
- Nicola Murdock, Medical Director. None of the remuneration relates to a non-managerial role. Left employment 29/1/22.
- Alf Bass - Acting Medical Director from 10/01/22, chose not to be covered by the pension arrangements during the reporting year. Substantive role does not cover definition of a Senior Manager.
- Kate Warriner, Chief Digital & Information Officer. Expense Payments relates to a lease car benefit. From 1st July 2020 also CDIO for Liverpool Heart & Chest Hospital NHS FT, 0.4 WTE via salary recharge. The figures above represent her total remuneration. £61k of this was recharged to LHCH.
- Dame Jo Williams, Chair - Expense Payments relate to Business Mileage taxed at source.
- Garth Dallas, Non-Executive Director commenced in role 15/11/21.

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

### Total Pension Entitlements

Name and Title	Real Increase in Pension at Age 60 (Bands of £2,500) £000s	Real Increase in Lump Sum at Aged 60 (Bands of £2,500) £000s	Total Accrued Pension at Age 60 at 31 March 2022 (Bands of £5,000) £000s	Lump Sum at Age 60 Related to Pension at 31 March 2022 (Bands of £5,000) £000s	Cash Equivalent Transfer Value at 1 April 2021 £000s	Real Increase in Cash Equivalent Transfer Value £000s	Cash Equivalent Transfer Value at 31 March 2022 £000s	Employer's Contribution to Stakeholder Pension £000s
Louise Shepherd Chief Executive	0-2.5	0-2.5	85-90	215-220	1,820	54	1,889	0
John Grinnell Director of Finance	0-2.5	0-2.5	45-50	75-80	668	18	709	0
Nathan Askew Chief Nurse	2.5-5	2.5-5	25-30	50-55	354	47	403	0
Melissa Swindell Director of Human Resources	0-2.5	0-2.5	30-35	50-55	459	17	493	0
Erica Saunders Director of Corporate Affairs	0-2.5	0-2.5	40-45	85-90	818	19	854	0
Mark Flannagan Director of Communications and Marketing	0-2.5	0-2.5	5-10	0-5	108	19	142	0
Kate Warriner Chief Digital & Information Officer	2.5-5	0-2.5	25-30	50-55	349	22	388	0
Adam Bateman Chief Operating Officer	0-2.5	0-2.5	25-30	40-45	306	15	340	0
Dani Jones Director of Strategy	2.5-5	0-2.5	25-30	45-50	336	20	374	0

- As non-executive directors do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive directors.
- Nicola Murdock, Medical Director - was not a current member of the NHS Pension scheme. None of the remuneration relates to a non-managerial role.
- Alf Bass, Clinical Director - Medical Director from 10/01/2022 chose not to be covered by the pension arrangements during the reporting year.

# Staff Report

## Diversity and Inclusion Policies, Initiatives and Longer Term Ambitions

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

In 2020, the Trust established a Black, Asian and Minority Ethnic (BAME) Inclusion Taskforce focusing on how we support staff from BAME backgrounds to have a positive experience and make sure Alder Hey is a safe place for all. The Taskforce have made significant achievements during 2021/22, which have included the following:

- Tackling overt racism, prejudicial or discriminatory behaviour – a 'Zero Tolerance' approach
- Improving access to volunteering opportunities
- More diverse and inclusive communications
- Re-launch of the BAME Network
- Established Trust equality, diversity and inclusion (EDI) resources
- Improvements in Trust data

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



## Staff Turnover

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

Staff Group	Leaver Headcount	Turnover % by Headcount
Additional Professional Scientific and Technical	44	1.07%
Additional Clinical Services	103	2.50%
Administrative and Clerical	112	2.72%
Allied Health Professionals	36	0.87%
Estates and Ancillary	18	0.44%
Healthcare Scientists	10	0.24%
Medical and Dental	52	1.26%
Nursing and Midwifery Registered	148	3.60%
<b>Grand Total</b>	<b>523</b>	<b>12.71%</b>

The Trust did see an increase in turnover in the last year compared to the previous year, with a significant proportion of this turnover attributed to the end of fixed term contracts of individuals who were engaged during the pandemic.

Details of the Trust's staff turnover position in comparison to other NHS organisations can be found [here](#).

As of 31st March 2022 the gender split of our workforce was 83% females and 17% males. The 2022 gender pay gap report, reporting for the year 2021 is published on the Trust website and Cabinet Office website [here](#).

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

	Male	Female
Directors	6	8
Senior Managers	4	7
Employees	720	3395



Analysis of Trust staff by type and cost during the year 2021/22 is set out in the table below, together with a comparison with 2020/21:

	Total 2021/22 No.	Permanent 2021/22 No.	Other 2021/22 No.	Total 2020/21 No.	Permanent 2020/21 No.	Other 2020/21 No.
Medical and Dental	<b>517.23</b>	515.53	1.70	<b>489.35</b>	487.97	1.38
Ambulance Staff						
Administration and Estates	<b>784.59</b>	706.58	78.01	<b>687.66</b>	635.9	51.76
Healthcare Assistants and Other Support Staff	<b>907.79</b>	857.31	50.48	<b>788.13</b>	760.89	27.24
Nursing, Midwifery and Health Visiting Staff	<b>1164.60</b>	1107.35	57.25	<b>1125.22</b>	1085.06	40.16
Nursing, Midwifery and Health Visiting Learners						
Scientific, Therapeutic and Technical Staff	<b>642.42</b>	639.94	2.48	<b>629.34</b>	627.22	2.12
Healthcare Science Staff						
Social Care Staff						
Agency and Contract Staff						
Bank Staff						
Other						
<b>Total Average Numbers</b>	<b>4016.63</b>	<b>3826.71</b>	<b>189.92</b>	<b>3719.7</b>	<b>3597.04</b>	<b>122.66</b>
<b>Of Which</b>						
Number of Employees (WTE) Engaged on Capital Projects	<b>0.00</b>	0.00	0.00	<b>51.2</b>	40.88	<b>10.32</b>

## Staff Costs

	Permanent £0	Other £0	2021/22 Total £0	2020/21 Total £0
Salaries and Wages	204,773		<b>204,773</b>	162,035
Social Security Costs			<b>0</b>	13,548
Apprenticeship Levy	747		<b>747</b>	680
Employer's Contributions to NHS Pensions			<b>0</b>	17,072
Employer's Contributions to NHS Pensions paid by NHSE			<b>0</b>	7,439
Pension Cost - Other			<b>0</b>	63
Other Post-Employment Benefits			<b>0</b>	0
Other Employment Benefits			<b>0</b>	0
Termination Benefits			<b>0</b>	0
Temporary Staff	9,372	9,372	<b>18,744</b>	9,061
<b>Total Gross Staff Costs</b>	<b>214,892</b>	<b>9,372</b>	<b>224,264</b>	<b>209,898</b>
Recoveries in Respect of Seconded Staff	-1,594		<b>-1,594</b>	-1,380
<b>Total Staff Costs</b>	<b>213,298</b>	<b>9,372</b>	<b>222,670</b>	<b>208,518</b>
<b>Of Which</b>				
Costs Capitalised as Part of Assets			<b>0</b>	2,984

## Sickness Absence Data

In 2021/22 we continued to put in place additional support through our Staff Advice and Liaison Service (SALS), prioritising and championing the physical, mental, social and financial health and wellbeing of our staff. In addition to the support offered by SALS, our staff have access to an internal counselling service.

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

## Staff Policies and Actions

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

Trust management meets with trade union colleagues at both the Joint Consultation and Negotiation Committee (JCNC) and Local Negotiating Committee (LNC) on a monthly basis, where a range of business matters are discussed and shared with staff

representatives, ensuring the views of employees can be taken into account in making decisions which are likely to directly impact them. In response to the COVID-19 pandemic and subsequent recovery plan, engagement and consultation with trade union colleagues were increased to ensure regular communication, engagement and discussion for supporting our workforce.

The Trust is committed to ensuring a working environment free from all forms of bullying and harassment and prejudicial or discriminatory behaviour. In 2020 the Trust launched its Respect at Work Policy in order to promote and encourage a more resolution focused approach and restorative culture. In 2021/22 the Trust furthered this work and through extensive research, collaboration and consultation devised a specific Zero Tolerance Policy against any racist, homophobic, prejudicial or discriminatory behaviour. This policy aligns to the Trust's existing Zero Tolerance Policy and associated Zero Tolerance Process; however it specifically addresses discriminatory behaviour.

As well as addressing discriminatory behaviour exhibited by parents and visitors, the Policy also addresses such behaviour exhibited by children and young people; which whilst this behaviour may be learned, must not be tolerated. It is understood that this is the first policy in a children's healthcare setting to specifically address this issue. The Policy was launched on the United Nations International Day for the Elimination of Racial Discrimination on 21st March 2022.



## Trade Union Facility Time Disclosures

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1st April 2017. Under the Regulations, Alder Hey is required to publish the following information relating to trade union officials and facility time.

### The Trust Trade Union Facility Time for Alder Hey for 2021/22

Measure	Fig
Total Number of Trade Union Representatives your Organisation Employed - include Employees who were not Representatives for the Full 12 Months	23
Total Full Time Equivalent Number of Representatives (FTE)	20.23
Number of Tu Representatives that Spend 0% Working Hours	5
Number of Tu Representatives that Spend 1-50% Working Hours	17
Number of Tu Representatives that Spend 51-99% Working Hours	1
Number of Tu Representatives that Spend 100% Working Hours	0
Total Amount of Time Representatives Spent on Facility Time (Annual Hours)	1591.92
Percentage of Working Hours Each Representative Spent on Facility Time – you'll need to Select from an Option Of 0%, 1 to 50%, 51 to 99%, or 100% when you Report this on GOV.UK	1-50%
Total Amount of Time Representatives Spent on Paid Facility Time – Paid Union Duties and Activities (Annual Hours)	2191.92
Total Amount of Time Representatives Spent on Paid Union Activities (Annual Hours)	50
Total Amount of Time Representatives Spent on Unpaid Union Activities (Annual Hours)	0
Total Pay Bill – for all Employees not Just Union Representatives	£152,744,624.67
Total Cost of Facility Time	£47,523.15
Percentage of Pay Spent on Facility Time	0.03%
Percentage of Hours Spent on TU Activities	5.67%

## Communications

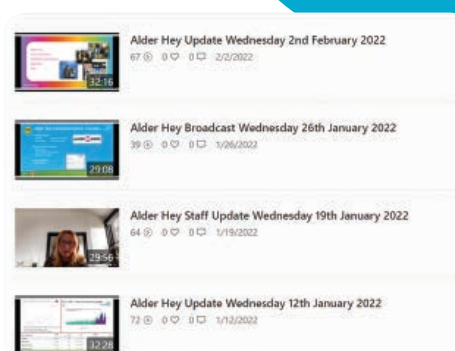
With the ongoing pandemic the focus has been on continuing to keep staff informed and the public aware about our work, during a time when there has been restricted access to our sites and the need to monitor closely and protect our staff, patients and families from COVID-19.

With many colleagues working from home and continued restrictions on association it has been a challenge to maintain a sense of unity amongst our staff. We have not been able to bring people together physically through our usual key events such as the Staff Awards. Instead, we have focused on keeping everyone informed wherever they are and celebrating successes as much as possible through many different channels.

Throughout the year we maintained routine internal communications in the form of **live weekly broadcast updates** for all staff, with associated **email briefings**. We continued our commitment to celebrating all our staff in all their diversity and difference. **Monthly faith and cultural celebration messages** sharing the

important moments and spiritual observances have resulted in heartfelt gratitude responses including:

“ I am speechless to see this message!! I have no words to appreciate your efforts! From 10th August up to 1 month is really very pious month for all Hindus! Thanks for your wishes and respecting all faiths! ”





We highlighted through social media and traditional media our expertise and the difference that Alder Hey makes to children and young people. We continued to update the public through our website and social media and produced new information posters for use on our sites to highlight continued maintenance of IPC rules at a time when the external world was changing to a lower level of vigilance. Our **“We’re Still All In This Together” campaign** involved a complete refresh of our visual media across all our sites, providing simple and clear guidance to staff, patients, families and visitors on our IPC expectations, and putting our children and young people first.



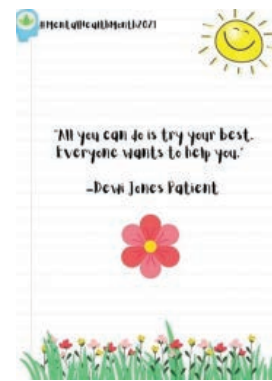
This was further strengthened with **‘Living with Covid’** a new, streamlined dedicated digital space launched to highlight the latest safety information for staff (over 10k homepage views to date). We have already used learnings from Covid and implemented similar approaches to other communications. This includes **rolling out new digital sites** following the positive response to our ‘Covid Hub’ (328k + visits to date), deepening use and diversifying to support range of clinical and support needs, including **AVAT**, **Blood Transfusion**, **Quality Improvement**.

During the year we looked ahead to our refreshed Strategy and how marketing and communications can be directed to help deliver this, through a disciplined approach to our key messages and audiences and focused delivery against each. This requires the Team to become less reactive to demands and more focused on a planned approach to message delivery.

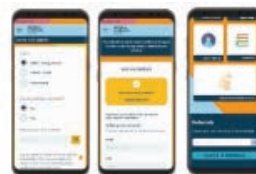
We developed plans for a wholly new Staff Intranet and a new Alder Hey website. Development of each will take place in the year ahead, with a strong focus on delivery of what our consumers/audiences want and need and building in continued improvement as standard. Both sites will be focused on delivery through handheld devices, with the Intranet designed to be an “Alder Hey in my pocket”, reflecting the fact that most staff will access it via their phones. The website will be developed to recognise that it has to work in harmony with many different digital products, many of which we are developing through the Trust’s Digital Front Door Strategy. Integration of new tools and products therefore will be key.

The Alder Hey healthcare campus continued to develop during 21/22, and the Marketing and Communications Team shared the message that we are a global centre of knowledge and expertise in paediatric healthcare.

As Sunflower House began to take shape, we continued to highlight the mental health struggles faced by children and young people particularly following the pandemic and the support available at Alder Hey. Throughout **Mental Health Awareness Week** (10th – 16th May 2021) we raised awareness across our social media channels



of the mental health crisis happening in young people following the pandemic, signposting to help available and shining a spotlight on Alder Hey staff and the work they are doing. Following an initial pitch to the BBCNW team during a visit to Media City in Salford in 2020, we worked closely with our mental health colleagues to organise and produce a series of films that were broadcast each night of Mental Health Awareness Week. The features focused on our CAMHS Crisis Team, our Dewi Jones Unit, Sunflower House, the Eating Disorders Team and stories of three of our young people.



Together with Sefton and Liverpool CAMHS, we also launched Alder Hey’s new **‘one stop shop’ mental health platform** which allows just one referral form linking a wide range of mental health services across Liverpool and Sefton, who work in partnership together.

Our messaging during the week reached over 183,000 people on social media and around 500,000 through BBCNW, while our CAMHS Crisis Team received seven applicants for a vacancy in their team after their feature was aired.



We also organised a special **'topping out' ceremony** to celebrate the constructions of our new Catkin Centre and Sunflower House. Young people from the FRESH CAMHS group, Camhelions, the Children and Young Person's Group and from Dewi Jones were invited to bury a time capsule full of notes, letters and items of life in 2021. A short ceremony was held where the items were placed in and then buried in the build, to be dug up again in 100 years. During the event, the capsule was buried in the build, while a short film was also produced and shown across social media and later at the Annual Members' Meeting.

Momentum for the Appeal continued with this year's **Matalan pyjama campaign**. Stories of Alder Hey patients, families and staff were central to the campaign and we spread awareness internally and across our social media channels.



In September, we managed the **opening of The Alder Centre** - the UK's only purpose built dedicated bereavement centre for the loss of a child. The official opening was streamed live on YouTube and the Alder Centre website and involved families, representatives from the Trust and Charity. Footage of the event, including a tour and thank you film were also used across social channels and by the media (BBC). We also secured a number of high-profile media opportunities including BBC Breakfast, BBC North West, ITV News, Radio City, Capital and Radio Merseyside to name just a few.



In close collaboration with colleagues at the Liverpool Women's we continued to promote the work of the **Liverpool Neonatal Partnership** and announced plans for a new surgical NICU at Alder Hey. We garnered significant media and social media coverage to support the launch of the Charity's £3m Appeal for the new Unit. The Appeal was covered regionally via BBC Northwest TV, Granada, BBC Radio Merseyside, Radio City, and The Guide to name a few.

**Partnership** and announced plans for a new surgical NICU at Alder Hey. We garnered significant media and social media coverage to support the launch of the Charity's £3m Appeal for the new Unit. The Appeal was covered regionally via BBC Northwest TV, Granada, BBC Radio Merseyside, Radio City, and The Guide to name a few.

Charity Champion and Appeal Ambassador Jamie Carragher was featured in the coverage alongside paediatric surgeon Ms Jo Minford.



BBC Breakfast hosted Centre Manager Fiona Berry and Chris Lamb, who lost his son Elliott at Alder Hey and used the Alder Centre afterwards. Chris told his story and highlighted the incredible work the staff do each day.



Communications and our Charity ensured that **Christmas** came to Alder Hey, despite the restrictions of the pandemic. Our highly anticipated Christmas Light Switch On event was broadcast live on You Tube and featured a number of messages and well-wishes from Alder Hey friends, Christmas songs, activities and patient stories. <https://youtu.be/JkS7ZUj6-4s>



We generated feel good Christmas content throughout the festive season and although we were unable to bring celebrity visits back to the wards, we worked with partners to still bring joy to our patients. This included much appreciated virtual meet and greets with heroes from both Everton and Liverpool football teams.

Other stand out **PR moments** during the year included: a feature in The Times about transparent face masks developed by our Innovation Team; a successful social media and press campaign to celebrate our volunteers receiving The Queen's Award for Voluntary service (The Liverpool Echo, Granada TV and The Guide TV); securing coverage of our Charity's '7 in10' Appeal and the Hospital's innovative robot technology on ITV and across social as part of the build up to the Grand National; the 'Grab a Job Campaign' which promoted COVID-19 vaccinations for children and young people; and many of our Feel Good Friday Facebook stories being picked up by national and regional media.



Alongside this activity we built on our partnerships with universities, public health organisations and other health trusts



and bodies to raise awareness of **vital research trials** on conditions including RSV and whooping cough and **public health campaigns** highlighting the dangers of dog bites and button batteries (BBC Breakfast). We also supported colleagues across the organisation who were facing unprecedented challenges particularly those within the Emergency Department by publishing on the Trust Website and raising awareness of Alder Hey's new Symptom Tracker (designed to reduce attendances).



## Counter Fraud

The Trust engages Merseyside Internal Audit Agency to provide Counter Fraud Services. 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 2021/22. Routine reports on progress against its delivery are received by the Audit and Risk Committee. The key to the success of these activities is the achievement of outcomes across the defined areas of anti-fraud work.

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

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

A self-assessment against compliance with the Standards for Providers issued by NHS Counter Fraud Authority for 2021/22 was undertaken. The Trust has rated itself overall as green. The Counter Fraud service provided regular updates to the Audit and Risk Committee on work undertaken to prevent and detect fraud including any investigations.

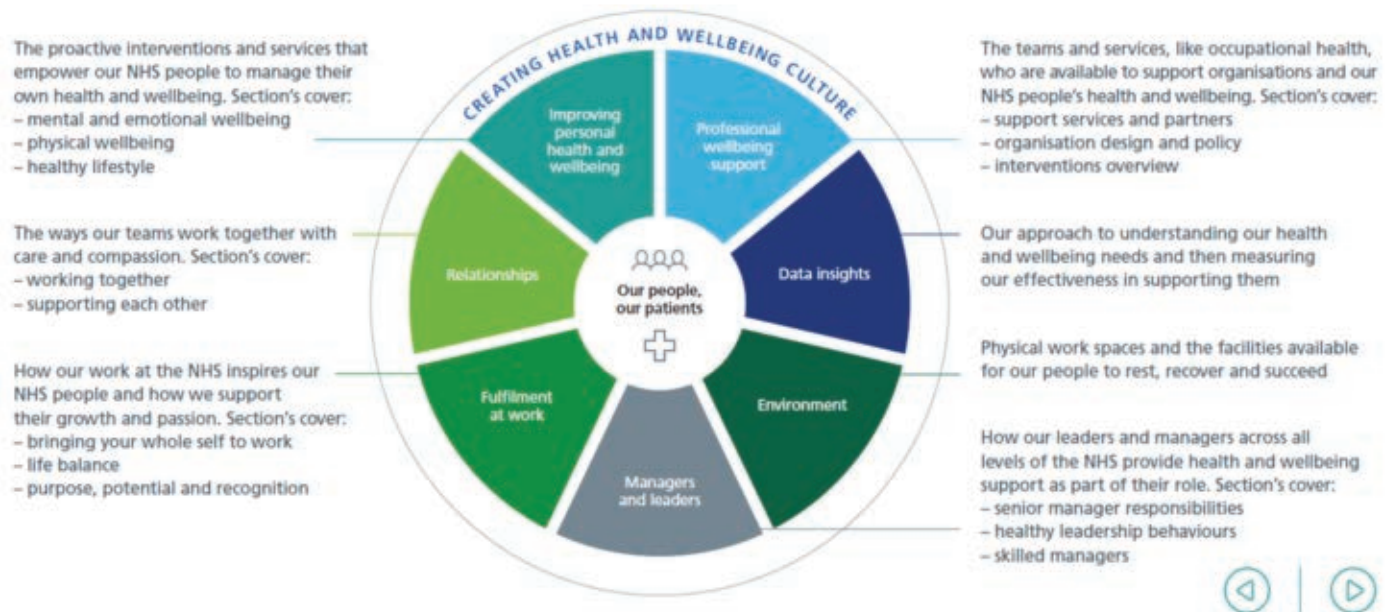
# Health and Safety Performance and Occupational Health

Significant developments were made in services and programmes aimed at promoting and sustaining staff health and wellbeing in 2020-2021 and this work has continued and grown in response to the changing impacts of the COVID-19 pandemic over 2021-2022. Below shows the improvements that have been made over the past year and future plans for development in these areas.

Our approach to staff support at Alder Hey has been and continues to be closely informed by the developing evidence base around what works for whom and in what context. What we know clearly, and what our staff routinely tell us, is that wellbeing interventions alone are not sufficient without interventions that more closely address hygiene factors affecting the daily experience of work and working relationships.

Given the evidence and our learning to date through the Staff Advice and Liaison Service (SALS) and other support mechanisms in the organisation, we are basing our health and wellbeing activities and approach on the NHSE Organisational Health and Wellbeing Framework. The content of our plan is based on evidence from academic literature about the impact of COVID-19 on the healthcare workforce and insights gained through the national health and wellbeing programme, including from frontline staff, people who are classed as clinically extremely vulnerable, feedback form support lines and mental health hubs, people pulse and other sources of data and insight. The plan is also consistent with the nine principles underpinning the Wellbeing Guardian role and the NHS People Promises.

At Alder Hey, we are using this checklist to understand what is most needed for our staff and what key aspects of health and wellbeing support will be needed through the coming months (see illustrative diagram below).





## Improving Personal Health and Wellbeing

We have seen considerable improvements in support targeted at personal health and wellbeing. At Alder Hey, staff have access to a range of support for their health and wellbeing including Occupational Health services, Staff Advice and Liaison Service (SALS) and the Alder Centre staff counselling service. Staff in medical specialties and Critical Care can also access support from Clinical Health Psychology services via Clinical Psychologists embedded in teams.

In terms of physical safety, the Trust continues to work successfully in partnership with its Occupational Health provider, Team Prevent, to offer a range of supportive interventions for staff. The Trust is seeing ongoing benefits from the introduction of the early intervention service which provides rapid treatment for staff encountering stress and musculo-skeletal conditions.

Central to the support of staff through the pandemic has been the growing Staff Advice and Liaison Service (SALS). SALS is an open access support for all staff struggling with any issues related to home or work and provides early intervention and prevention via psychoeducational events and initiatives across the Trust. It aims to prevent staff difficulties from worsening by addressing issues in the moment and finding the right solution in the right place at the right time.

There is also a focus in SALS on systemic intervention, including team support following debriefs and training,

and contribution to the development of a culture which challenges the stigma associated with help seeking in the

healthcare and support services. Considerable focus is also given to supporting staff to both transition to and navigate through services, providing a “safety net” of support during what can be extremely difficult journeys and processes.

SALS has seen a large rise in the number of self-referrals since August 2021, with a corresponding rise in drop-ins. Despite the increase in demand, the team are still able to respond quickly to all new contacts (within 24-48 hours) and feedback from staff accessing the service remains very positive with 100% of a sample surveyed saying they would recommend the service to friends or colleagues in the organisation.

A growing area of focus in terms of personal health and wellbeing is developing support and resources for staff to help with financial difficulties.



## Fulfilment at Work

Since 2021, Alder Hey has also seen developments in support for some of our more vulnerable groups including staff with seen and unseen disabilities and menopausal staff via focused listening events. The listening sessions with staff with seen and unseen disabilities has been the platform for the development of a Disability Network with support from the Trust EDI Lead. The menopause sessions have led to the development of a Menopause Policy Working Group with a view to creating a specific policy to improve the understanding and management of menopause in the workplace at Alder Hey.

Staff have also been able to access a growing internal coaching and mentoring network and we now have 22 trained coaches offering a mixture of wellbeing and more general coaching to colleagues. Given the many impacts of COVID-19, not least the impact that this is having on staff's sense of purpose and commitment at work, an area for focus will be on the ways in which staff can be recognised for their work and their potential and purpose developed. The re-launched Celebration and Recognition Group will help to steer these activities in addition to the changes being made to the non-medical appraisal processes.

## Professional Wellbeing Support

We have also seen improvements in interventions focussed on professional wellbeing support. Staff have benefitted from a focus on rest and recovery through additional days leave, wellbeing days, and information and briefings targeted at self-compassion. Our Wellbeing Guardian role is now well embedded in the organisation and progress is being mapped against the nine Wellbeing Guardian Principles with feedback through the People and Wellbeing Committee to Board.

The Trust continues to work successfully in partnership with its Occupational Health provider, Team Prevent, to offer a range of supportive interventions for staff. The Trust is seeing ongoing benefits from the introduction of the early intervention service which provides rapid treatment for staff encountering stress and musculo-skeletal conditions.

Areas of focus over the coming year will be on our induction processes which are being renewed and enhanced in view of the changing nature of the organisation as we emerge from the pandemic, not least to include a wellness induction for all new starters. We are also going to be focussing on improving our non-medical appraisal processes and quality in view of staff feedback in the Staff Survey.

Other developments to support professional wellbeing include enhanced capacity to conduct stress risk assessments (supported by funding through NHSE/I) and an increase in trained facilitators to run Schwartz Rounds, providing staff with safe spaces to process and reflect on the emotional impact of work. Alder Hey now has 22 trained facilitators and has secured funding to train another 10 people to run Rounds, building capacity for whole organisation sessions and bespoke sessions for teams using Team time.

Further work is also being done to improve and standardise the processes and pathways for debriefing staff after traumatic clinical incidents. This work is being underpinned by a research project underway with the University of Liverpool looking at current experiences of debriefing to guide future developments. We will also be working this year on a more coherent communications plan for health and wellbeing, including enhanced content

on the new Intranet in development and a monthly Ground TRUTH Bulletin to be sent out to all staff highlighting all feedback from the ground and associated actions.

## Relationships

Support for teams will continue to be an area of focus for us in the coming year. Among the many impacts of the COVID-19 pandemic on staff at Alder Hey has been the impact on effective working relationships due to the increased levels of stress, exhaustion, and burnout. To help to support and develop relationships and build resilience in sustainable ways, we have developed a SALS PALS project which aims to develop a network of wellbeing champions, paid for their wellbeing time, embedded in their own areas, and trained and supported to conduct supportive structured debriefing using the Ground TRUTH tool.

Crucial to maintaining and building adaptive resilience when resources are challenged is to enable staff to use existing coping mechanisms bolstered through connections with others who understand their role and are themselves given the resource and skills to support their colleagues. We have been successful in securing funding through NHSE/I to pilot SALS PALS at Alder Hey in some of our more pressured areas including ED, theatres, and our wards.

The Ground TRUTH tool has now been used by over 630 staff at Alder Hey with a reach across the four divisions at Alder Hey. The Ground TRUTH tool serves as a reflective tool and communication mechanism, enabling the voice of staff to be heard from 'the Ground up'. Data from the tool is now reported back at monthly 'Ground TRUTH' slots with the executives to shape strategic action, support communications and build on learning fast. Outcome data from staff responses has been incredibly positive. Over 95% of staff reported finding the tool helpful and 47% of staff felt much better or better after using it. We have been approached to spread the Ground TRUTH tool across the region and have been discussing implementation in a number of trusts. Through partnerships with external stakeholders, we are seeking funding to develop a 'Ground TRUTH app' that empowers individuals and teams with the aim of improving staff wellbeing and patient care.

“  
Outcome data from staff responses has been incredibly positive. Over 95% of staff reported finding the tool helpful...  
”

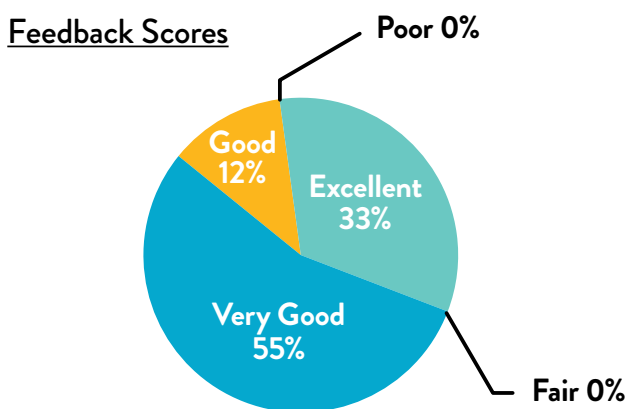


## Managers and Leaders

Support for our managers and leaders has continued with the Strong Foundations Programme, health and wellbeing conversations training and a growing internal coaching and mentoring offer.

Although launched before the COVID-19 pandemic, the focus in Strong Foundations on support, psychological safety, compassion and connection has made it a critical part of the organisational response to the crisis in supporting our leaders during this exceptionally difficult and challenging time.

Since August 2019, over 400 leaders and managers (in 20 separate cohorts) have attended the Programme. The feedback gathered from participants attending the Programme since September 2021 demonstrates the value of the Programme to our leaders and also highlights the positive impacts of online delivery, particularly in increasing access. Quantitative feedback highlights that people rated their psychological safety as high during sessions, suggesting facilitators create a safe space for healthy challenge and expression of different opinions. Our leaders have also benefitted from more connection with each other and support. The pie chart below shows feedback about the quality of training.



Following the recognition of the Strong Foundations Programme by the HSJ as part of the Staff Engagement Award in 2020, Strong Foundations was again part of a winning submission for the HPMA Browne Jacobson Excellence in Employee Engagement Award. The Programme was recognised by the judges as pivotal to a coherent and compassionate staff support programme on offer to all staff at Alder Hey including the Staff Advice and Liaison Service and Ground TRUTH tool developments.

We plan to continue to offer the programme to all current, new and aspiring leaders and managers across the organisation and to continue to refine and adapt it in response to participant feedback. We are also developing and enhancing course content to include a Supporting Others module to build skills in compassionate wellbeing conversations for leaders and managers and a Brilliant Basics Quality Improvement module.



In development for our leaders and managers is a refreshed HR training package, focussing on core elements of people management and person-in-the-policy framed.

## Health and Safety

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

## Expenditure on Consultancy

Expenditure on consultancy during 2021/22 was for specialist advice and operational delivery on an interim basis to ensure high quality services for children and families.

## Off Payroll Engagements

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

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

**Table 1: Off-Payroll Worker Engagements as at 31 March 2022**

For all Off-Payroll Engagements as of 31st March 2022, for More Than £245 per Day and that Last Longer Than 6 Months	2021/22 Number of Engagements Number
<b>No. Of Existing Engagements 31 March 2020</b>	<b>7</b>
<b>Of Which:</b>	
Number That Have Existed For Less Than One Year at the Time of Reporting	1
Number That Have Existed For Between One and Two Years at the Time of Reporting	3
Number That Have Existed For Between Two and Three Years at the Time of Reporting	1
Number That Have Existed For Between Three and Four Years at the Time of Reporting	2
Number That Have Existed For Four or More Years at the Time of Reporting	0

**Table 2: All Off-Payroll Workers Engaged at Any Point During the Year Ended 31 March 2022**

All Off-Payroll Workers Engaged at Any Point During the Year Ended 31st March 2022	2021/22 Number of Engagements Number
<b>Number of Off-Payroll Workers Engaged During Year Ended March 2022</b>	<b>11</b>
<b>Of Which:</b>	
No. Assessment as Within Scope of IR35	0
No. Assessment as Outside Scope of IR35	11
No. of Engagements Reassessed For Consistency / Assurance Purposes During the Year	3
No. of Engagements That Saw a Change To IR35 Status Following The Consistency Review	0
Number of Engagement Where the Status Was Disputed Under Provisions in the Off-Payroll Legislation	0
Of Which: Number of Engagements That Saw a Change to IR35 Status Following Review	0

**Table 3: For any Off-Payroll Engagements of Board Members, and/or, Senior Officials, With Significant Financial Responsibility, Between 1 April 2021 and 31 March 2022**

No. of Off-Payroll Engagements of Board Members, and/or Senior Officials With Significant Financial Responsibility, During the Financial Year	0
No. of Individuals That Have Been Deemed "Board Members and/or Senior Officials With Significant Financial Responsibility" During the Financial Year.	35

## Exit Packages 2021/22

Exit Package Cost Band (Including Any Special Payment Element)	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
	Number	Number	Number
<£10,000		15	15
£10,001 - £25,000		1	1
£25,001 - 50,000		2	2
£50,001 - £100,000			0
£100,001 - £150,000			0
£150,001 - £200,000			0
>£200,000			0
<b>Total Number of Exit Packages by Type</b>	<b>0</b>	<b>18</b>	<b>18</b>
Total Resource Cost (£)	£0	£141,000	£141,000

## Exit Packages: Other (Non-Compulsory) Departure Payments

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

	2021/22 Payments Agreed Number	2021/22 Total Value of Agreements £000	2020/21 Payments Agreed Number	2020/21 Total Value of Agreements £000
Voluntary Redundancies Including Early Retirement Contractual Costs	3	82		
Mutually Agreed Resignations (MARS) Contractual Costs				
Early Retirements in the Efficiency of the Service Contractual Costs				
Contractual Payments in Lieu of Notice	15	59	3	38
Exit Payments Following Employment Tribunals or Court Orders			1	1
Non-Contractual Payments Requiring HMT Approval (Special Severance Payments)*				
<b>Total</b>	<b>18</b>	<b>141</b>	<b>4</b>	<b>39</b>

**Of Which:** Non-Contractual Payments Requiring HMT Approval Made to Individuals Where the Payment Value Was More Than 12 Months of Their Annual Salary

# Staff Survey

## Approach to Engagement

As in the past few years, we have placed significant focus on increasing response rates and engagement with the Staff Survey by improving how we both communicate the results and encourage and learn from feedback gathered. We have a comprehensive feedback plan which starts at a local level; each eligible Team and Department receive a copy of their local data to discuss together in a Big Conversation and agree local actions they can take together to improve staff experience and engagement. Overall Trust performance is reviewed at Trust Board and has been shared with staff across the organisation.

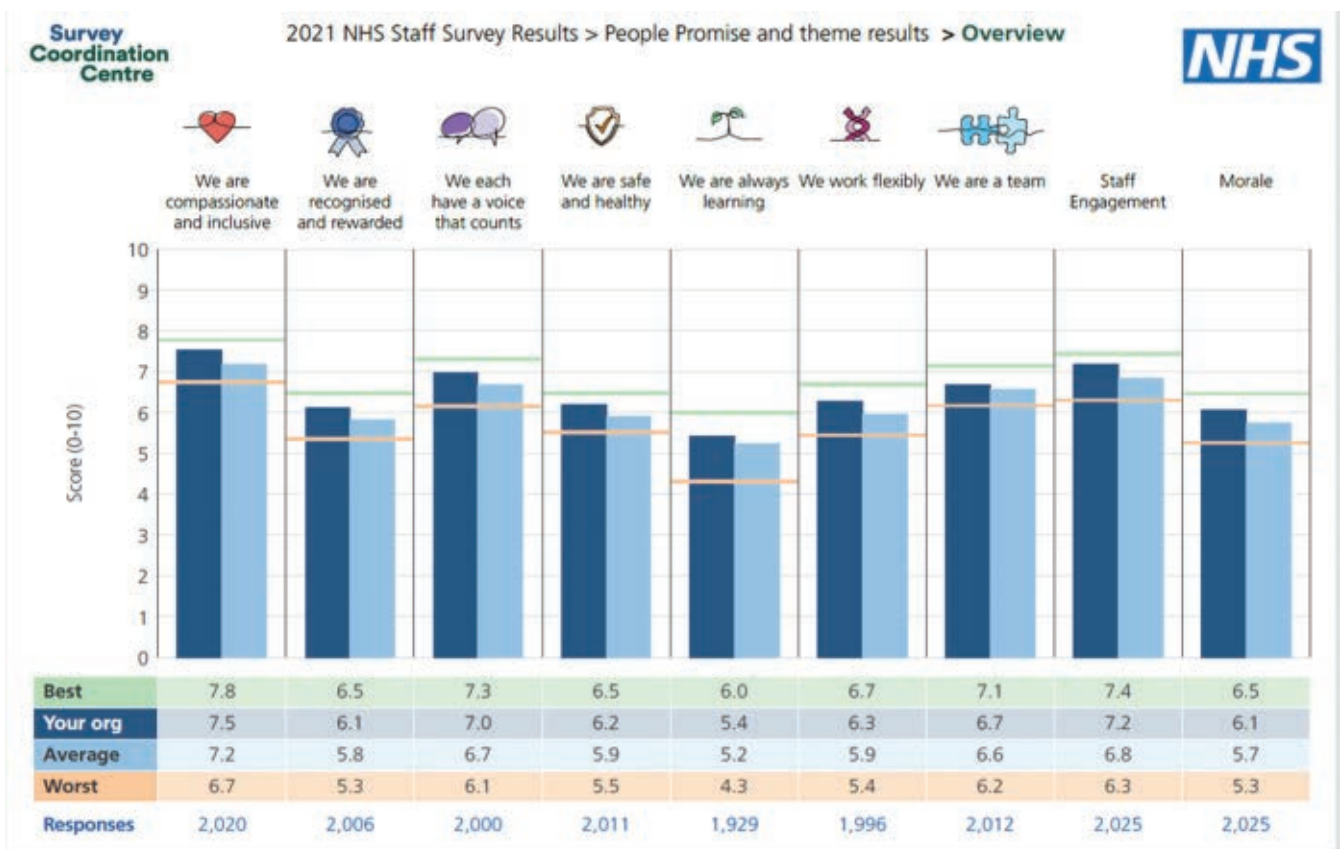
The annual Staff Survey is just one of the mechanisms that we have in place to monitor and learn from staff feedback. We gain valuable insights from the quarterly People Pulse and also from other more immediate means of hearing staff voices and acting on their feedback. Since 2020, for example, we have been developing a Ground TRUTH tool in partnership with Liverpool University so that we can gather information about staff experiences and morale at greater frequency and act on that feedback swiftly. The tool is also a means of building adaptive resilience in high pressure situations where resources are stretched and so is being focussed in areas such as ED, Theatres and on the wards.

# Summary of Performance - Results from the NHS Staff Survey

The results show that 71% of staff would recommend Alder Hey as a place to work, placing us top in the North West region on this metric. 90% of our staff would recommend the Trust as a provider of care to their family and friends, the highest score in our comparison sector.

The survey responses reflect a national picture of overall decline given the exceptional challenges faced across the NHS over the past two years due to the COVID-19 pandemic and show the increase in both stress and reported burnout experienced by our staff. However, our results also show that despite these challenges we have continued to provide for our staff a positive, compassionate and safe organisational culture where staff health and wellbeing is paramount as illustrated in other parts of this Report.

The table below provides an analysis of our results across the seven key NHS People Promises and the additional themes of Staff Engagement and Morale, showing higher than average scores across every domain when compared with our sector.



Given the changes to the Staff Survey, we are unable to provide comparisons with previous years in all but the two themes of Staff Engagement and Morale. In 2020 our score for Staff Engagement was 7.4 (vs 7.2 in 2021) and our score for Morale was 6.6 (vs 6.1 in 2021). Both of Alder Hey's scores are significantly better than the sector scores, although there have been slight declines since 2020. Of note is that the sub theme Morale scores of 'Thinking about leaving' and 'Work pressure' have significantly declined since last year.

At question level, most scores are in the top-20% and intermediate-60% range of similar organisations. The lower scores relate to working additional unpaid hours, discrimination, and appraisals helping staff improve how they do their job. Where comparable to 2020, the majority of questions do not show any significant change. However, there are still 21 question-level scores that show a decline. These include all three questions relating to the sub-theme 'Thinking about leaving' and two of the three 'Motivation' questions. The scores for staff coming to work when they don't feel well enough, and experiencing incidents of harassment, bullying and abuse from patients and other members of the public have also significantly declined.

## Areas for Improvement

Whilst there are areas for improvement, there are also many positive results from the Staff Survey and we have shared and celebrated our results, especially in light of the additional challenges we have faced as an organisation and continue to face through the pandemic.

Looking at the burnout questions and the high rates of both burnout and exhaustion reported in addition to the reported high rates of additional unpaid hours, we will continue to focus on staff wellbeing and morale in the coming months when we are likely to see the psychological impacts of COVID-19 coming to the fore for our workforce. These results also show the importance of continuing to monitor the impact on staff wellbeing during the recovery of services.

We will also ensure that our focus over the coming year will continue to be on all aspects of organisational health and wellbeing with a particular focus on retaining and developing staff given the challenges of the last few years and on enabling them to be safe and well to deliver the level of care that they aspire to.

We plan to do further work to understand the reasons behind the increase in staff thinking about leaving, some of which may be linked to the change in the motivation questions with less people feeling enthusiastic about their job and less people looking forward to work.

It is also of concern that we are seeing higher reported experiences of discrimination for our staff, including increased discrimination on the grounds of disability and other reasons not specified. A series of disability listening events run in the Trust by our SALS Team have highlighted the need for an increased focus on the experiences of our staff with both seen and unseen disabilities and the importance of a new disability network to drive forward changes following the already established BAME taskforce model.

Finally, we will be improving our non-medical appraisal process given the feedback about the quality of these meetings from our staff.

We will also continue to offer targeted support through SALS to our staff with both seen and unseen disabilities, to our estates and facilities staff, staff redeployed during the pandemic, to staff working in additional clinical services and to our nursing colleagues who are reporting additional challenges in the workplace given the pressures of their roles.

## Future Priorities and Targets

We know that our recovery as individuals and as an organisation from the crisis brought on by COVID-19 will rely on our ability to remain connected to each other and our willingness and capacity to keep talking and keep actively listening to each other. We will continue to strive to hear every voice at Alder Hey and increase our response rates to the national Staff Survey and other more bespoke surveys and temperature checks. Our target response rate remains at 65% and our target for the percentage of staff recommending Alder Hey as a place to work is 75%. We will gather our collective learning from this crisis and use it to shape the way we work and interact going forward.

In my capacity as Accounting Officer, I confirm that the foregoing Accountability Report is a fair and balanced representation of the Trust in 2021/22.

*Louise Shepherd*

**LOUISE SHEPHERD CBE**  
Chief Executive  
20th June 2022

## Niamh's Story

Niamh was diagnosed with Selective Mutism (a rare type of anxiety disorder which affects speech) when she was three years old.

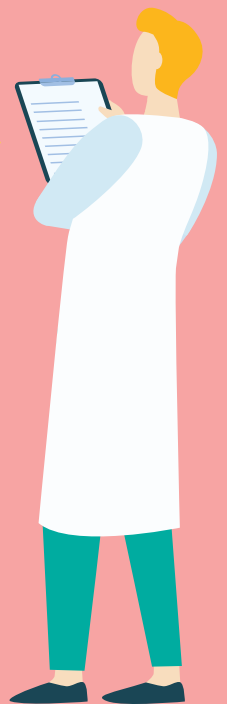


Niamh said:

“

Speech therapy at Alder Hey changed my life by using specialist treatments to put me on a path to recovery. The clinicians were kind, professional, and thoughtful, treating each client as an individual as opposed to a number. I still struggle sometimes with anxiety and low self-esteem, and I have a long way to go in my development as a person, but I wake up every day thankful for the opportunity to live and have a voice. Thank you so much Alder Hey, you truly are amazing.

”





# NHS Foundation Trust Code of Governance

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

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

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

## Our Council of Governors

2021/22 again saw several changes on the Council of Governors following the annual elections. A comprehensive Trust induction programme continued to be delivered virtually to enable incoming governors to understand their new role as rapidly as possible. This training is also offered to existing governors annually as a means of refreshing their skills. Several Alder Hey governors also took advantage of the ongoing *GovernWell* development programme offered by NHS Providers; also provided virtually, which is an invaluable resource.

During 2021/22 Alder Hey joined resources with other local trusts across the Liverpool NHS system to provide governor development days. These were facilitated by NHS Providers aimed at: introduction to the role of Foundation Trust Governor/Holding to Account (providing the Council with a refresh of its statutory duties); an understanding of effective questioning

and challenge; and a bespoke (interactive) workshop focused on Membership.

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

Due to the impact of COVID-19 and in line with national guidance, all visits, face to face meetings and engagement work continued to be undertaken via MS Teams throughout the reporting period. The Council met formally four times during the year. The Council appointed a new Non-Executive Director and re-appointed three of the existing non-executives during 2021/22, two of these for twelve-month final extensions; this was to ensure stability and continuity on the Board. The Council also approved the reappointment of the Trust Chair for a second term of three years.

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

The 2021 Annual Members' Meeting was held in November via Microsoft Teams, with a powerful keynote address delivered by a member of the Alder Hey Forum portraying the experiences of children and young people during the pandemic, the impact on their mental health and the ways in which they stayed positive. This was followed by a presentation of the Trust's Annual Accounts 2020/21 and the report of the Council of Governors.

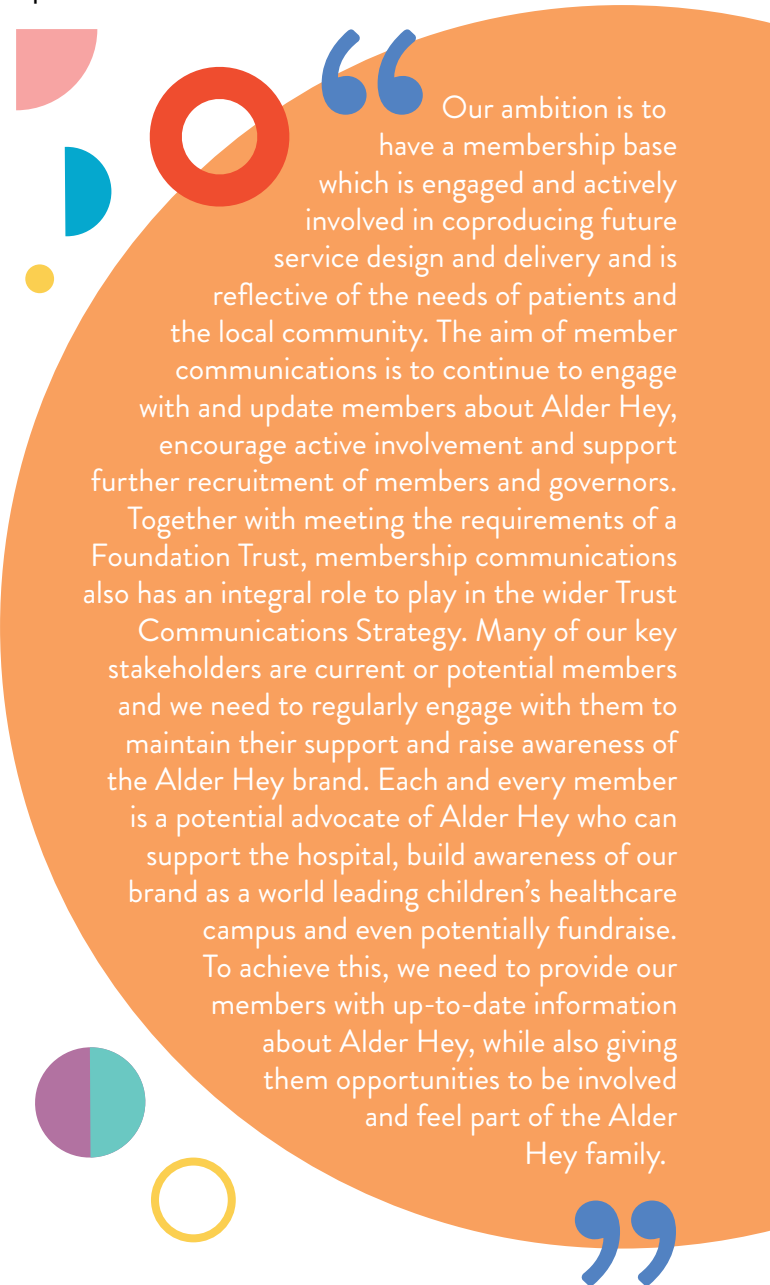
The governors have also continued to input into a fully inclusive process for the Chair's appraisal and agreement of annual objectives, led by the Senior Independent Director. In addition to its statutory role, the Council contributes to the life of the hospital in a variety of ways, for example observing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

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

Informal governor meetings established by Dame Jo continued in-year and have been welcomed by the Council as a means of allowing information flows on important topics outside of the formal governor meetings. Updates on matters raised throughout the year were attended by subject matter experts.

In addition to the full Council meetings, governors have been involved in the Membership Strategy Committee,

chaired by Public Governor Pippa Hunter-Jones, who reported as follows:



“ Our ambition is to have a membership base which is engaged and actively involved in coproducing future service design and delivery and is reflective of the needs of patients and the local community. The aim of member communications is to continue to engage with and update members about Alder Hey, encourage active involvement and support further recruitment of members and governors. Together with meeting the requirements of a Foundation Trust, membership communications also has an integral role to play in the wider Trust Communications Strategy. Many of our key stakeholders are current or potential members and we need to regularly engage with them to maintain their support and raise awareness of the Alder Hey brand. Each and every member is a potential advocate of Alder Hey who can support the hospital, build awareness of our brand as a world leading children's healthcare campus and even potentially fundraise. To achieve this, we need to provide our members with up-to-date information about Alder Hey, while also giving them opportunities to be involved and feel part of the Alder Hey family. ”

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

- Acting as Editorial Board for the members' newsletter supported by members of the Communications and Marketing Team.
- Exploring social media platforms for membership purposes.
- Planning and organisation of the Annual Members' Meeting.

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

## Composition of the Council of Governors

The Council of Governors is made up of 10 appointed governors from nominated organisations and 25 elected governors comprised of six staff governors (elected by staff), nine public governors, four patient governors, six parent and carer governors (elected by members). The Council represents, as far as possible, every staff group and the communities that Alder Hey serves across England and North Wales. Elected governors are chosen as part of an independent process managed on behalf of the Trust by Civica UK Ltd., in accordance with the Constitution. Elections to the Council of Governors take place annually in the

summer. On election or appointment all governors are required to sign the Council's Code of Conduct and to complete their declaration of interests in accordance with the Trust's policy.

The Council of Governors operates under the leadership of the Trust Chair and its endeavours are supported by the Lead Governor, Marilyn Mornington who was elected unopposed to this role in October 2021. The role was previously held by Simon Hooker whose term of office ended in September 2021. The roles and responsibilities of governors are set out in the Trust's Constitution and Council of Governors' Standing Orders.

Governor	Constituency	Class	Term	Term of Office	Council Meetings Eligible to Attend in 2021/22	Total No. of Attendances at Council Meetings
Barbara Murray**	Appointed	Liverpool City Council	-	n/a	4	3
Professor Iain Buchan	Appointed	Liverpool University	-	Resigned April 2021	0	0
Professor Francine Watkins	Appointed	Liverpool University	-	n/a	3	3
Janice Monaghan	Appointed	The Back Up Trust	-	n/a	4	0
Helen Henderson	Appointed	Edge Hill University	-	n/a	4	4
Molly Wardle	Patient	Merseyside	First Term	01-09-20 - 31.08.23	4	1
Sean Melia	Patient	Merseyside	First Term	01.09.19 - 31.08.22	4	0
Thomas Feeney-Shaw	Patient	Merseyside	First Term	01.09.19 - 31.08.22	4	0
Felix Blake	Patient	Rest of England & North Wales	First Term	17.09.18 - 16.09.21	2	0
Dot Brannigan	Public	Merseyside	First Term	01-09-20 - 31.08.23	4	0
Pippa Hunter-Jones	Patient	Parent & Carer	Third Term	01-09-20 - 31.08.23	4	4
Georgina Tang	Patient	Parent & Carer	Second Term	01.09.19 - 31.08.22	4	2
Cheryl Danher	Patient	Parent & Carer	First Term	04.04.21 - 03.04.24	4	2
Ana Samuel	Patient	Parent & Carer	First Term	01-09-20 - 31.08.23	4	3

Governor	Constituency	Class	Term	Term of Office	Council Meetings Eligible to Attend in 2021/22	Total No. of Attendances at Council Meetings
Ana Samuel	Patient	Parent & Carer	First Term	01-09-20 – 31.08.23	4	3
Nicola Thorbinson	Patient	Parent & Carer	First Term	01-09-20 – 31.08.23	4	3
Hilary Peel	Public	Merseyside	Second Term	01.09.19 – 31.08.22	4	4
Micaela Dempsey	Public	Merseyside	First Term	15.09.21 – 14.09.24	2	1
Kal Ross	Public	Merseyside	First Term	17.09.18 – 16.09.21	2	1
Mark Peers	Public	Merseyside	Third Term	01.09.19 – 31.08.22	4	0
Naomi Grannell	Public	Cheshire	Third Term	03.08.17 – 31.08.20	4	1
*Marilyn Mornington	Public	Cheshire	First Term	01-09-20 – 31.08.23	4	3
Sue Thoms	Public	Wider North West	First Term	01-09-20 – 31.08.23	4	3
Simon Jacobs	Public	Wider North West	First Term	01-09-20 – 31.08.23	4	0
**Daniel Casson	Public	Rest of England	First Term	01.09.19 – 31.08.22	4	3
Simon Hooker	Public	N. Wales	Second Term	17.09.18 – 16.09.21	2	2
Lowri Smith	Public	N. Wales	First Term	15.09.21 – 14.09.24	2	1
**Sujata De	Staff	Doctors and Dentists	Second Term	15.09.21 – 14.09.24	4	3
Ben Smith	Staff	Nursing Staff	First Term	01.09.19 – 31.08.22	4	0
Angela McDonald	Staff	Nursing Staff	First Term	04.04.21 – 03.04.24 Left the Trust Dec 2021	2	2
Gill Kennedy	Staff	Other & Trust Volunteers	First Term	01.09.19 – 31.08.22	4	2
Connor Miller	Staff	Other & Trust Volunteers	First Term	01-09-20 – 31.08.23	4	1
Michael Mander	Staff	Other Clinical Staff	First Term	01-09-20 – 31.08.23	4	1

\* Lead Governor

\*\* Members of the Nominations Committee

There were four meetings held in 2021/22. The attendance at Council of Governors by Board Members is as follows:



**Dame Jo Williams**  
Attended 4 meetings



**Anita Marsland**  
Attended 4 meetings



**Ian Quinlan**  
Attended 1 meeting



**Fiona Marston**  
Attended 3 meetings



**Kerry Byrne**  
Attended 3 meetings



**Claire Dove**  
Attended 1/2 meetings



**Garth Dallas**  
Attended 1/1 meeting



**Fiona Beveridge**  
Attended 3 meetings



**Shalni Arora**  
Attended 2 meetings



**Nicki Murdock**  
Attended 2/3 meetings



**Alfie Bass**  
Attended 0/1 meetings



**Louise Shepherd**  
Attended 2/3 meetings



**John Grinnell**  
Attended 4 meetings



**Melissa Swindell**  
Attended 4 meetings



**Adam Bateman**  
Attended 4 meetings



**Nathan Aske**  
Attended 2 meetings



**Erica Saunders**  
Attended 4 meetings



**David Powell**  
Attended 2 meetings



**Mark Flannagan**  
Attended 2 meetings



**Dani Jones**  
Attended 3 meetings



**Kate Warriner**  
Attended 4 meetings

## Declaration of Interests

A copy of the Council's Register of Interests is available on request from Erica Saunders, Director of Corporate Affairs via the Executive Office on **0151 282 4888** or by email at [membership@alderhey.nhs.uk](mailto: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, representative membership from all areas served by the Trust.

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

## Membership Strategy

The Trust's Membership Strategy remained in place during the year and its implementation is owned and led by a committee of the Council of Governors called the Membership Strategy Committee. During 2021/22 the Committee continued to meet as planned via Microsoft Teams and was chaired by one of our parent and carer governors, Pippa Hunter-Jones. The terms of reference of the Committee were approved by the Council of Governors to undertake the following:

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

- Engage with other membership-based organisations on best practice recruitment and communication to determine if there is transferability to the Trust.

The Membership Strategy Committee is supported by the Trust's Marketing and Communications Team and works to an agreed set of objectives created to reflect the overall aims of the Membership Strategy. Achievements during 2021/22 included:

- Continuing to communicate to our membership throughout the COVID-19 pandemic. Alder Hey continued to share useful information for patients, parents, families and members through a purpose built and unique COVID-19 information hub website. The Hub featured up to date information about Alder Hey services during the pandemic, visiting guidelines and helpful resources about isolation and managing the virus in children and young people.
- Delivery of the membership newsletter 'Alder Hey Matters' on a bi-monthly basis, featuring an introduction from a different Governor each issue, a 'look back' calendar of other events and key updates from the Trust. The newsletter enables the Trust to communicate more effectively with its members and in a timely way, ensuring they remained up to date on the latest Alder Hey news.
- Updating the Membership section of the Trust website to ensure it remained effective and useful. The section features information about the Council of Governors and its role, alongside up to date copies of the membership newsletter, annual reports and the ability to sign up to become a Member.
- Once again, we hosted our Annual Members Meeting virtually in November 2021 to share information with members about Alder Hey's operational and financial performance. Particular highlights of the AMM included:
  - The Children and Young People's Forum delivering a virtual video called #classofcovid19 which talked about the experiences of children and young people during the pandemic. The video went on to show some of the activities Forum Members had undertaken during lockdown periods learning how to adapt to the 'new normal' and more importantly, staying positive.
  - A second virtual video production had been prepared by the Children's and Young Peoples Forum (Theforumtakeover) entitled 'Alder Hey Family Fortunes' featuring forum members' quiz questions to the Executive Team on Alder Hey's performance and achievements during 2020/21.

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

Plans for 2022/23 include a number of ideas to enhance membership engagement taking into account COVID-19-safe communications:

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

- Continuing to weave the overarching Trust brand narrative and core messages through all communications to members.
- Encouraging staff to engage with membership by increasing the visibility of staff governors. This can be achieved through internal staff communication channels including Alder Hey Life.

## Membership Profile

Constituency	Number of Members 2020/21 (Actual as at 31st March 2022)
Public	4,001
Patients & Parent Carer	6,821
Staff	3,624
<b>Total</b>	<b>14,446</b>

## Our Board of Directors

The Trust's constitution provides for a Board of Directors which is comprised of no more than seven Executive and no more than eight non-executive directors including the Chair. All Director roles have been occupied during 2021/22 in accordance with the strategy developed by the Trust in support of the constitution. The Trust considers that it operates a balanced, complete and unified Board with particular emphasis on achieving the optimum balance of appropriate skills and experience; this is reviewed whenever any vacancy arises and was rigorously tested in the year as part of the process to appoint executive directors and to appoint and re-appoint non-executive directors.

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

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

The Board meets on the last Thursday of each month, with the exception of August. Board meetings are fully and accurately minuted, including challenges and concerns of individual directors as appropriate. The Chair meets separately with the non-executive directors directly before each meeting. All Board meetings are open to the public, although since April 2020 meetings have been held virtually via Microsoft Teams, the dates, times and how to access the meetings are published on the Trust's website and the papers posted shortly after. The Board's agenda is structured around the Trust's strategic priorities set out in the overarching plan. Each meeting begins with a patient or sometimes staff story which is designed to ensure that patients remain at the centre of all discussions and decisions. At each meeting the Board receives a Corporate Performance Report which describes in detail how the organisation has performed against key local and national metrics, including a quality report which focuses on progress against the Trust's quality aims. Accompanying the performance information is the Board Assurance Framework which demonstrates to the Board how the principal risks to the organisation's business are being controlled and mitigated.

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

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

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

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

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

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

## Independence of Non-Executive Directors

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

## Board Performance

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





## Attendance at Board of Directors and Key Board Committee Meetings

		Board of Directors	Audit and Risk Committee (June meeting was Audit only)	Safety & Quality Assurance Committee	Resources & Business Development Committee	People & Wellbeing Committee	Innovation Committee
<b>No. of Meetings held 2021/22</b>		<b>11</b>	<b>6</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>5</b>
Dame Jo Williams	Chair	11	Not a member	3/3	Not a member	Not a member	Not a member
Louise Shepherd	Chief Executive	6 of 6	1 of 1 Not a Member	Not a member	Not a member	Not a member	1 of 3
Ian Quinlan	NED/ Vice Chair	10	Not a Member	Not a Member	10 <b>Chair</b>	5	4
Fiona Beveridge	Non-Executive Director	9	Not a Member	9 of 11 <b>Chair</b>	Not a Member	6	Not a Member
Claire Dove	Non-Executive Director	4 of 5	Not a Member	Not a Member	4 of 5	2 of 3 (Chair to Sept 2021)	Not a Member
Anita Marsland	Non-Executive Director	11	5	Not a Member	3 of 4	Not a Member	Not a Member
Shalni Arora	Non-Executive Director	10	Not a Member	Not a Member	10	Not a Member	5 <b>Chair</b>
Fiona Marston	Non-Executive Director	10	5	Not a Member	Not a Member	4 of 4 (Chair from Nov 2021)	5
Kerry Byrne	Non-Executive Director	11	6 <b>Chair</b>	10	Not a Member	Not a Member	Not a Member
Garth Dallas	Non-Executive Director	5 of 5	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member
Claire Liddy	Managing Director of Innovation	8 Attendee	Not a Member	Not a Member	6	Not a Member	5
John Grinnell	Finance Director / Deputy CEO	8	3/3 Attendee	9	7	Not a Member	4
Adam Bateman	Chief Operating Officer	11	4 of 5 Attendee – Risk Only	9	9	5	Not a Member
Erica Saunders	Director of Corporate Affairs	11 Attendee	6 Attendee	10	8 Attendee	6	4

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

		Board of Directors	Audit and Risk Committee (June meeting was Audit only)	Safety & Quality Assurance Committee	Resources & Business Development Committee	People & Wellbeing Committee	Innovation Committee
Melissa Swindell	Chief People Officer	11	Not a Member	10	11	7	Not a Member
Nicky Murdock	Medical Director	7 of 8	Not a Member	5 of 8	Not a Member	2 of 4	0 of 3
Alfie Bass	Acting Chief Medical Officer	3 of 3		3/3	Not a Member	Not a Member	Not a Member
Nathan Askew	Chief Nursing Officer	11	Not a Member	10	Not a Member	5	Not a Member
Dani Jones	Director of Strategy & Partnerships	9 Attendee	Not a Member	10	8 Attendee	Not a Member	Not a Member
David Powell	Development Director	9 Attendee	Not a Member	Not a Member	4 Attendee	Not a Member	Not a Member
Mark Flannagan	Director of Marketing & Comms	11 Attendee	Not a Member	Not a Member	9 Attendee	5	Not a Member
Kate Warriner	Chief Digital and Information Officer	10 Attendee	Not a Member	11	11	Not a Member	3

## Audit and Risk Committee Report

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

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

required to review:

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

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

## Internal Audit

The Internal Audit service is provided by Mersey Internal Audit Agency (MIAA), an independent NHS organisation. The Director of Internal Audit Opinion and Annual Report for 2021/22 reports that MIAA have demonstrated their compliance with NHS mandatory Internal Audit Standards. Internal Audit provides an independent and objective appraisal service embracing two key areas:

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

The Audit and Risk Committee contributed to the risk assessment to inform and subsequently approve the content of the Internal Audit Plan for 2020/21. This plan was structured to provide the Director of Internal Audit Opinion which gives an assessment of the:

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

The key conclusion from their work for 2021/22 as provided in the Director of Internal Audit Opinion and Annual Report was that 'Substantial Assurance', can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

## External Audit

The provision of External Audit services is delivered by Ernst & Young, who were appointed by the Council of Governors in September 2017 for three-year period. At its meeting in March 2020, the Governors approved the extension of Ernst & Young's appointment for a further two years (to September 2022).

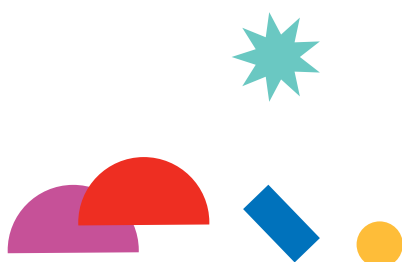
The work of External Audit can be divided into two broad headings:

- 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 audit work undertaken.

The external audit fees for 2021/22 were £105,000 (excluding VAT).

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



Six meetings were held during the financial year 2021/22 of which one, in June, was devoted to consideration of the auditors' report on the Annual Accounts and ISA 260. The Committee has an annual work plan with meetings timed to consider and act on specific issues within that plan.

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

- The monthly Board Assurance Framework report.
- Internal Audit Reports in accordance with the approved 2021/22 work plan.
- Counter Fraud reports by the MIAA counter fraud specialist in accordance with the approved 2021/22 work plan.

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

- Annual Governance Statement
- Consideration of the 2020/21 Annual Accounts (for the year ending 31 March 2021)
- External Audit report on the financial statements to 31st March 2021 and ISA 260
- Losses and special payments
- Internal Audit work plan for 2021/22
- Ernst & Young External Audit Year-end report 2020/21
- External Audit Strategy and Accounting Issues relating to the Audit of the Trust's 2021/22 Accounts
- Accounting policies for the 2021/22 Financial Statements
- Audit and Risk Committee work plan 2021/22
- Review and approval of the terms of reference for the Audit and Risk Committee
- Annual Reports of the Trust's assurance committees, including Safety & Quality Assurance Committee
- Gifts & Hospitality Registers
- Financial Statement audit risks for 2021/22

Scrutiny of the management of the financial and operational risks to the organisation is the responsibility of the Resources

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

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

## Nominations Committees

The Trust has established a separate Nominations/Appointments Committee to oversee the appointment of executive and non-executive directors.

The **Nominations Committee of the Council of Governors** is responsible for the appointment and removal of non-executive directors. It is chaired by the Trust Chair apart from when it is concerned with the appointment or re-appointment of the Trust Chair. Other members of the Committee are:

- Barbara Murray
- Simon Hooker (to August 2021)
- Angela McDonald (to February 2022)
- Su De (from March 2022)
- Daniel Casson (from March 2022)

During 2021/22 the Committee considered:

- The re-appointment of non-executive directors, Ian Quinlan and Anita Marsland for a further twelve-month extension each; this was based on the need for continuity and stability on the Board coupled with strong track record of performance;
- The reappointment of Non-Executive Director, Kerry Byrne for a second three-year term;
- The reappointment of the Trust Chair, Dame Jo Williams for a second three-year term; and
- The appointment of Non-Executive Director, Garth Dallas for an initial three-year term of office.



“  
The Board Assurance Framework is reviewed on a monthly basis by the Board as a whole”

# NHS Oversight Framework

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

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

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

## Segmentation

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

This segmentation information is the Trust's position as at 31st March 2022. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

## Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. Scores for the use of resources were not applied to NHS foundation trusts by NHS Improvement again during 2021/22 due to the COVID-19 pandemic and associated streamlining of regulatory monitoring.

# Voluntary Disclosures

## Equality Report

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

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

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



## Evie's Story

Research in to COVID-19 has helped to find several treatments and save thousands of lives across the world. Our amazing Charity granted £300,000 to fund research in to COVID-19. Eight year old Evie took part in four research studies at Alder Hey after testing positive for COVID-19 at the beginning of 2021 and being admitted to our High Dependency Unit with a rare reaction. The research Evie took part in was to help find better treatments for COVID-19 in children.

Mum Carly explained:

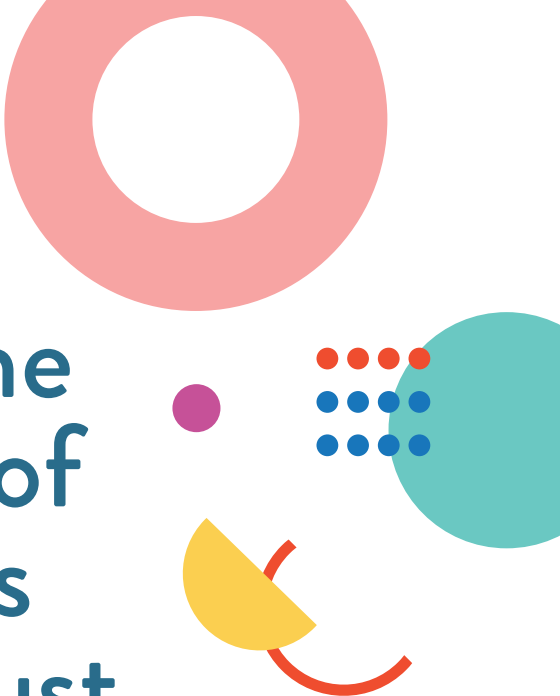
“

Evie is really happy that she was able to help other patients and families. She is now well and back at school and I really believe Alder Hey saved her life. Nothing can move forward without research and it saves lives.

”



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



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

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

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

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

- Ensure the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy; and
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

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

Signed.

*Louise Shepherd*

**LOUISE SHEPHERD CBE**  
Chief Executive  
20th June 2022

## Kay's Story

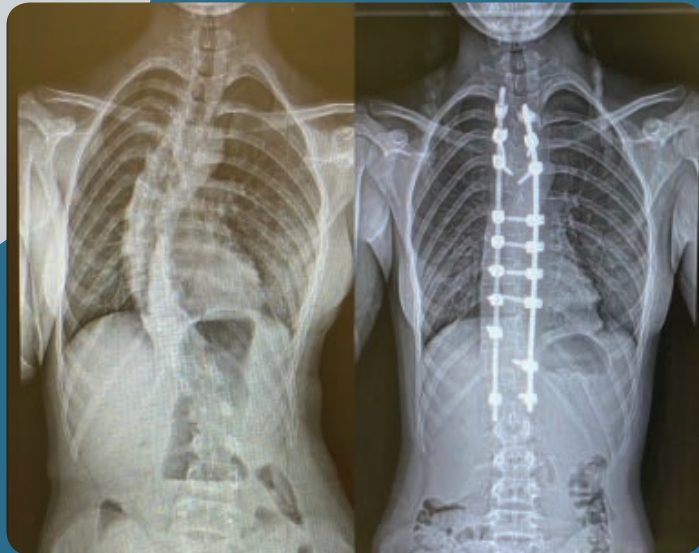
Kay was diagnosed with scoliosis (curvature of the spine) when she was 15. Following surgery at Alder Hey to have the curve corrected, Kay is already feeling 'amazing' and is much more confident!

She said:

“

After surgery I feel amazing. I'm already so much more confident with the way my back looks and I feel like a normal teenager again! The care at Alder Hey was incredible, I couldn't have asked for any more. All the staff were so kind and helpful, I felt really looked after. I can't thank everyone involved in the operation enough, they've changed my life.

”







# 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 2022 and up to the date of approval of the annual report and accounts.

## Capacity to Handle Risk

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

As Chief Executive and Accounting Officer, I have overall responsibility and accountability for risk management; I am informed of significant risk issues via the established reporting mechanisms and assurance committees, ensuring that my role in relation to risk management is fulfilled. The Chief Medical Officer is jointly accountable with the Chief Nurse to the Board of Directors and the Chief Executive for clinical risk management and clinical governance via appropriate reporting mechanisms. The Chief Nurse is responsible for embedding compliance with CQC standards across the organisation. The Director of Finance/Deputy Chief Executive is the executive lead for risk management and is accountable to the Board and the Chief Executive for the Trust's risk management activities. The Associate Director of Nursing and Governance is the operational lead for risk management, accountable to the Director of Finance/Deputy CEO and has line management responsibility for the Trust's corporate level Risk Management Team. They are responsible for ensuring that the Trust's risk management systems and processes are effective and operate in accordance with best practice. The Chief Operating Officer is the Executive lead for Facilities and is responsible for the effective management of risk in those areas. The Chief People Officer retains an overview of workforce risks and is responsible for Health and Safety management. The Director of Corporate Affairs is the Executive lead for regulatory and legal risks. The Director of Finance/Deputy CEO is responsible for ensuring that the Trust carries out its business within sound financial governance arrangements that are controlled and monitored through effective audit and accounting systems. The Chief Digital and Information Officer is responsible for Information Management and Technology risk, is responsible for Information Governance and is the nominated Senior Information Risk Owner, whilst the Chief Nurse is the Trust's Caldicott Guardian.



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

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

During the year the Trust sustained its high rate of incident reporting via the NRLS system, which for the past four years has placed it among the best performers for patient safety incident reporting nationally. The most recent published data – September 2021, covering the period from April 2020 to March 2021, saw Alder Hey remain third overall of acute specialist trusts in terms of the highest rate of incident reporting per 1,000 bed days, as well as the highest reporter among specialist paediatric trusts. The Trust continues to be amongst the top performers for the shortest time between an incident occurring and being reported to NRLS in the country, with a mean of four days. The consistently high level of performance demonstrates a positive safety culture and shows staff’s commitment and dedication to an open, transparent incident reporting culture, focused on immediate learning ensuring remedial actions are implemented and embedded to drive service improvements for children and young people.

To support the effective delivery of the Trust Risk Management Strategy, work has continued to improve the functionality of the Ulysses risk management system during the year, including improvements to the flexibility of review periods to reflect the nature of each risk. Risk registers continue to be used interactively throughout the organisation and are fully embedded in the Trust’s governance structures including the Board, its sub-committees and divisional integrated governance groups, to better drive the management, including mitigation of risks. During the year regular meetings continued to be held to validate risks on risk registers with operational teams, ensuring that risks are identified, assessed, mitigated, and reviewed in a timely way. In addition, work has continued to further develop the governance of risk processes thus providing assurance to the Trust Board regarding the effective management of risk, which was particularly relevant during the period of the pandemic when NHS organisations were required to respond both rapidly and safely to the emerging situation. Training sessions continue to be available to all staff, including one to one and/or team sessions on request. Ulysses system one to one training is also provided to new starters, with refresher training available to other staff as required.

The Board of Directors maintained its regular and robust oversight of the Board Assurance Framework during the year, with the assurance committees also keeping their related risks under regular review and where appropriate requesting further scrutiny of a particular risk or issue by another committee. Further improvements were made to the functionality and presentation of the BAF during the year, in particular the mapping of corporate risks to the strategic risks, giving the Board a line of sight on key operational risks that could threaten delivery of the strategic plan. The BAF continues to support the delivery of the Board agenda and has contributed towards the achievement of a positive opinion from the Trust’s Internal Auditors under the annual review of the Assurance Framework which states that:

- Structure:** The organisation’s AF is structured to meet the NHS requirements.
- Engagement:** The AF is visibly used by the organisation.
- Quality & alignment:** The AF clearly reflects the risks discussed by the Board.

The Trust received a rating of ‘substantial assurance’ confirmed by the Director of Audit Opinion for 2021/22.

## The Risk and Control Framework

2021/22 saw the second year of the COVID-19 pandemic continue to place huge pressure on the NHS as services strove to treat the backlog of patients accumulated the year before, as well as sustain its response to the virus itself. The requirements of the service to meet the many challenges thrust upon it by the COVID-19 pandemic continued to have an impact upon every aspect of Trust activity, including how it governed itself. At the start of the pandemic, the Board at Alder Hey took stock of the way in which it had operated within the 'reducing the burden' framework offered to NHS organisations by NHSI/E, resulting in a 're-set' of its assurance committees, with the aim of maintaining a very focused, but less onerous approach to seeking and gaining assurance from within the organisation.

The Trust continued to govern itself via an agreed set of principles in support of a more streamlined but effective governance structure for the remainder of the pandemic:

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

The assurance committees that were revised as part of the re-set have continued to operate in accordance with these principles and have reviewed their effectiveness at the end of 2021/22 via an annual report review against the agreed terms of reference. In addition, MIAA undertook a Committee Effectiveness Review in the final quarter of the year which consisted of a review of papers and observation of each committee. The outcome was a finding of 'substantial assurance' with only one recommendation which related to a review of committee membership.

Implementation of the Trust's Risk Management Strategy is monitored through the Audit and Risk Committee supported by the Risk Management Forum. The Board of Directors and its assurance committees have maintained their focus on key risks in 2021/22, ensuring that they were fully sighted on the ongoing pandemic. The COVID-19 risk register continued to be monitored by the Board into the second year focusing on the new issues that had arisen for Alder Hey during the first wave and which remained of significance, such as the establishment of an adult ICU for a second time and the specific clinical governance arrangements to underpin it; the need for a robust ethical framework to assist clinical decision making; and the imperative to have an effective staffing model in place to respond to new challenges, such as staff absence and the requirement to recover services to their previous levels of activity.

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 at Alder Hey took stock of the way in which it had operated within the 'reducing the burden' framework

”

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

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

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

At the end of 2020/21, the Trust Board approved an initial set of formal risk appetite statements relating to each area of core business. It is the intention to continue to refine this approach, which is based on best practice, such that it can be cascaded through the Trust and be used as a tool to achieve greater risk maturity as an organisation. The Board undertook an annual review of its risk appetite statement in February 2022, this year incorporating risk tolerances linked to the various defined risk categories including safety and quality, regulation and compliance, financial environment and innovation. This step was aimed at progressing the use of these measures within the organisation and in the context of the external changes taking place to establish Integrated Care Systems; it is the intention to refine these during the coming year via worked examples through the assurance committees.

A cornerstone of the Trust's approach to risk is to

continue to further embed risk management within its clinical divisions and corporate functions. In order to achieve that, each division and corporate function has a lead for risk and governance who acts as the focus of the various aspects of governance and risk management within their area. They coordinate all such work and liaise with the Risk Management Team and with other governance professionals across the Trust. Regular updates to departmental and divisional risk registers are fed in to the Corporate Risk Register. The Risk Management Forum engages in an active analysis of the Corporate Risk Register and Trust Risk Register report at each meeting taken in the broader context of the Board Assurance Framework.

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

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). Following the conditions imposed on the Trust's registration last year for a period of nine weeks between December 2020 and February 2021, a structured delivery programme focused on supporting children and young people with complex needs was established as part of the operational excellence work with KPMG. The programme commenced in February 2021 with membership from across the Trust and with input from the Chief Executive of the Point of Care Foundation to support engagement with staff, children, young people and families. The programme board overseeing the project met fortnightly to ensure continued improvement and focus on the priority areas, with bi-monthly assurance updates provided to the Safety and Quality Assurance Committee. The programme was completed in December 2021, with the remaining actions transferring to the Trust-wide Parity of Esteem programme, led by the Associate Chief Nurse Community and Mental Health Division. The programme delivered a significant body of improvement work to address the issues highlighted by CQC in relation to this cohort of patients, these

continued to be reported to the Trust's CQC inspector during the year and included:

- A total of 5 'ligature lite' rooms identified on Ward 4C, 3A and 3C with all works being completed.
- All pathways, processes, risk assessments relating to complex and challenging children and young people were reviewed and updated including ward documentation.
- Development and implementation of a comprehensive, single pathway for admission to acute medical wards for this cohort of children and young people.
- Training for appropriate staff regarding restraint, restrictive practice and clinical holding (CALM).
- Incident reporting relating to restraint, restrictive practice and clinical holding reviewed and improved.
- Contract and robust approval process in place with a specialist company to provide support to wards for highly complex children and young people.
- Development and implementation of reporting metrics regarding; use of restrictive practice; incidents relating to self-harm; use of rapid tranquilisation and number of inpatients on bed status.

CQC commended the Trust for its response to the s31 notice and has subsequently invited the directors involved to present to its own teams as an example of a best practice and positive response to enforcement action.

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

In terms of monitoring compliance with registration requirements and essential standards, the clinical Divisions provide assurance via regular submissions of their key issues reports through to the Clinical Quality Steering Group (CQSG). This incorporates a set of key quality indicators and metrics. The key issues reports include compliance against CQC standards and other constitutional and regulatory targets. They also incorporate assurance against clinical effectiveness, patient experience and patient safety indicators such as incidents, risks, medication errors and infections. The weekly Patient Safety Meeting continued to run throughout the pandemic; it scrutinises key incidents in a timely fashion, agreeing any immediate actions required; action plans from serious incidents are also presented and monitored with dissemination to divisions for shared learning. The divisions report against CQC domains as part of their monthly highlight

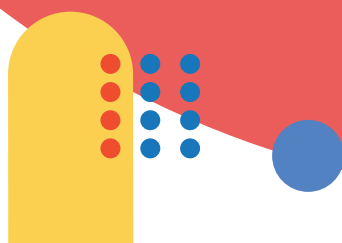
report to SQAC; CQSG also provides a summary report to SQAC for further assurance, highlighting any exceptions or risks that may need to be addressed or escalated. As a further mechanism for shared accountability, the divisional performance meetings incorporate CQC KLOE's and risks to quality as well as operational delivery, providing a fully rounded view of areas requiring additional focus and support from the senior team.

As described above, the Board at Alder Hey continues to review its quality governance arrangements and underpinning systems and processes to ensure that they remain fit for purpose and able to respond to both internal and external factors. The Safety and Quality Assurance Committee, whose membership includes all divisional directors as well as Board directors, has delegated authority from the Board to undertake scrutiny and oversight of the Trust's compliance with any quality requirements set out by regulators, as well as the delivery of the Trust's quality priorities, incorporating measures of clinical effectiveness, patient safety and positive patient experience. During 2021/22, this continued to include our response to the pandemic, including specific IPC matters such as staff and patient testing and assurance around the management of any outbreaks of COVID-19; additionally, as the second year of the pandemic progressed the focus was equally on restoration and access to services. The work of the Audit and Risk Committee complements this by discharging its responsibility for the maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities.

In 2021/22 the Trust's programme of quality assurance ward/department rounds was reinstated with a more streamlined approach in accordance with the principles of 'governance lite.' The key purpose of the assurance rounds is to demonstrate to the Board the golden thread of assurance from ward to board and as such they have continued to be attended by the multidisciplinary teams and both executive and non-executive directors. The rounds facilitate a deep dive at ward/department/specialty level into quality and performance, focusing on areas of good practice and actions being taken at a local level to address areas of concern. The rounds are also an opportunity for teams to seek and gain support from executives and non-executives for any areas of patient safety, experience and effectiveness they have concerns about. The assurance rounds provide both quantitative and qualitative information to demonstrate that the services are safe, effective, responsive, caring and well-led in line with the CQC's five domains and supporting Key Lines of Enquiry (KLOEs).

Key themes to emerge from the process were as follows:

- Strong evidence of increased resilience and staff adapting to meet the needs of our patients and families to keep them safe during the pandemic.
- Compassionate, caring, multidisciplinary staff have been evident from all quality assurance rounds, with patients clearly the central focus.
- A weekly medication safety meeting was introduced to minimise risk to patients and staff together with spotlight huddles within services to discuss specific medication issues.
- Increased focus on NICE recommended/evidence-based interventions to meet the mental health needs of children and young people.
- Raising awareness of and how to support young people experiencing mental illness within our local communities.
- Services have been widened during COVID-19, with digital platforms providing the opportunity to work differently, flexibly and continue to meet the needs of patients and families' circumstances.
- The 'Brilliant Basics' methodology underpins all Trust activity, with focus on improvement.
- Continuous review to ensure safe staff levels maintained and appropriate to meet the acuity and dependency levels of our patients.
- Increase in deep dive risk-based presentations for areas of improvement and associated actions to keep our patients safe.
- Increased focus on partnership working with children, young people and families which is central to everything we do.
- Research to support other academic and hospital departments and teaching in research methods.
- Good understanding around risk management demonstrated across the Trust, although this is an area for continuous development which is recognised by front line staff.
- Strong evidence of services showing a willingness to listen, learn and change/improve practice in many aspects of their work, including staff and patient experience.
- Strong evidence of a positive approach to improving support for staff wellbeing through SALS.
- Increased partnership developments and joint services between Alder Hey and other regional trusts.
- Good examples of well led practices in action: Consultant of the Week – helps patients and families through continuity of care and improves ethos.
- Improved reporting of themes identified from incidents, lessons learnt and actions to reduce the risk of incidents being repeated.
- Weekly nurse led incident management meeting.
- Improved performance against national clinical audits.
- Joined up work with medical and surgical divisions to ensure a safe pathway through the hospital when young people are in crisis.
- Improved working with external partners as part of transition workstreams.



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

With the advent of the global coronavirus pandemic in the early part of 2020, the Trust rapidly took steps to respond as effectively as possible to support the wider health system locally. This resulted in a fundamental shift in emphasis in how our plans were shaped and implemented and this continued to be the case during 2021/22 with respect to the Trust's COVID-19 response. The Trust worked alongside the wider system to ensure that it was producing and measuring key data, both in terms of its own services and for onward submission to the national, regional and local Incident Command and Control infrastructure. The Board moved to adjust its strategy and operational plan to reflect the evolving situation, including the key measures of success for monitoring its revised priorities.

During the second year of the pandemic the national priority was to restore NHS services and address the backlog of patients which had accumulated during the various peaks of COVID-19 infections. There was also a critical expectation of collaboration as a system to reduce health inequalities that have been further exposed and exacerbated by the COVID-19 pandemic. Continuing to maintain a forensic focus on known and emerging risks, the Board turned its attention to the recovery of services; issues arising from the backlog of patients; and anticipation of a surge in 'normal' paediatric respiratory viruses that had been suppressed during the pandemic, specifically RSV. The latter did not emerge in the significant numbers predicted, however the Trust established a formal improvement programme in order to address the needs of children and young people whose care had been delayed by the pandemic called *Safe Waiting List Management*. The aim of this work was to address:

- The significant adverse effect of COVID-19 on waiting times and backlogs.
- The needs of children and young people by providing access to care.
- Historical issues relating to data quality and complexity in RTT reporting.
- The need to have effective systems and ways of working to prevent harm occurring from sub-optimal waiting list management.

The programme was overseen by a steering group consisting of senior leaders and subject matter experts;

it included input from the Trust's commissioners. By the Autumn of 2021 all inpatient and outpatient waiting lists had been robustly validated by the team; all patients who had waited over 52 weeks had been identified and the majority had received treatment. As part of the process, all patients received a clinical review to establish if there had been any adverse clinical impact as a result of waiting. The legacy of this work is a much-improved system and process, greater focus on the quality of our data and education and training for all staff involved in the process.

*Having been called to arms last year by the Alder Hey Youth Forum's reflections on being the #classofcovid19, the Board pursued its pledge for Alder Hey to take a leadership role in addressing the health inequalities that have reached endemic proportions for much of our local population. During the summer the Board undertook training with UNICEF with the aim of bringing the United Nations Convention on the Rights of the Child to the forefront of its work.*

*Although in 2021/22 the Board undertook no formal review of its performance against the Well Led Governance Framework, the last external review having been undertaken by AQuA (Advancing Quality Alliance) ahead of the Trust's 2020 CQC inspection, it engaged in a wide range of activities to ensure that the organisation was continuing to follow best practice in leadership and good governance. Focus continued to be placed upon: effective ward to board governance and assurance; the effective management of emerging risks; and the demonstration of strong and supportive leadership at all levels. Good communication was fundamental to this given the ongoing pandemic which embedded hybrid working, perhaps permanently. The all staff briefings continued throughout the year, moving from daily to weekly but still delivered by the CEO and Executive team via Microsoft Teams, which included real time Q and A for staff. The Staff Advice and Liaison Service (SALS) continued to provide a vital support to staff health and wellbeing during the prolonged period of the pandemic and the many hardships that this had brought – emotionally, physically, financially and in myriad other ways. The Trust instituted the national Wellbeing Guardian principles spearheaded by Dr Fiona Marston, one of our Non-Executive Directors, underpinning both the SALS concept and Trust Values. These two initiatives have become a forceful triumvirate of resources for staff to have their voice heard, alongside the well-established Freedom to Speak Up model at Alder Hey. The Board was pleased to see that the results of the 2021 staff survey demonstrated that staff continue to feel confident to raise concerns and that they will be acted upon.*

The Board undertook its annual 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. In addition, a gap analysis of the Trust’s Corporate Governance Statement under the Provider Licence, was undertaken in accordance with the formal declarations required by NHS Improvement; this did not identify any material gaps in compliance. Alder Hey was placed in segment ‘2’ under NHS Improvement’s Oversight Framework – providers offered targeted support - reflecting the Trust’s financial position.

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

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

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

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

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

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

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

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





Arrangements for the strategic oversight of progress towards the Trust's equality objectives have continued to be a key priority during the year. The Black and Minority Ethnic Group Task Force established in 2020 and chaired by Claire Dove ran regularly throughout the year, supported by fellow NEDs, executives and other key members of staff. Although Claire's final term of office had come to an end in September 2021 the Board requested that Claire continue to lead this vital piece of work on a consultancy basis. The main aims of the task force have been to ensure robust and proactive plans are in place for supporting innovative approaches to diversity and inclusion, ensuring we support staff from all backgrounds to have a positive experience working at Alder Hey and that our plans specifically support opportunity for education and employment for under-represented groups. There has been a specific focus on establishing a programme of Positive Action; use of careful listening through networks to monitor and challenge progress and a review of recruitment practices. Claire Dove submitted her closure report to the Board in March 2022, handing the chair of the task force to Garth Dallas; in the coming year the task force will broaden its remit to include the wider equality, diversity and inclusion agenda in support of the staff LGBTQ+ and Disability networks as well as the BAME network.

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of the 'Delivering a Net Zero Health Service' report under the Greener NHS Programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

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

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

Following the initial actions taken by the NHS to respond to the COVID-19 pandemic, formal contracting arrangements were again suspended for the 2021/22

financial year and the interim financial framework was revised and updated.

A series of simplified contracting and funding arrangements were maintained yet these now included incentives for organisations to accelerate the recovery of their overall activities and more specifically their elective programmes.

The updated financial framework for 2021/22 was released in March 2021 and indicated a longer term recasting of the financial landscape, including:

- The allocation of a system level financial envelope with an expectation of breakeven.
- The continuation of block contracts based on 2019/20 levels plus inflation.
- The continued suspension of contract incentives and sanctions.
- The parameters for additional funding to support elective recovery.

The new financial architecture has been refined during the latter part of the year with increasing emphasis around system working and the requirement to restore and achieve pre-Covid activity targets.

During the year, the Trust has continued to develop a robust response to the challenges set and was part of a National Paediatric Accelerator Programme, receiving funding to accelerate the recovery of Paediatric services with a particular focus on the use of digital and innovation driven solutions.

The Board has also begun to reshape the future financial strategy as a direct response to the new NHS architecture, with consideration of lead provider opportunities, new models of care and latterly the emergence of Integrated Care System arrangements.

The directors have considered and kept under review throughout the year the financial governance framework that operates within the Trust and its flexibility and preparedness to maintain their response to the financial challenges imposed upon the organisation and the Cheshire and Mersey system as we recover together from the global pandemic.

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

Operationally, the Executive Team uses a range of mechanisms through which it monitors performance, identifies emerging risks to delivery and takes mitigating action to address issues as they arise. These processes have continued during the year and include three times daily patient flow huddles, a weekly activity meeting and a weekly Executive ‘Communication Cell’ data update; the latter has been driven through the Gold Command/Strategic Executive structure during the pandemic; for the majority of 2021/22 it continued to be a key vehicle for sharing information about actual performance over the previous seven days and highlighting issues for the coming week.

On emerging from the first wave of the pandemic the Board took a decision to re-start the Trust’s partnership with KPMG and the Point of Care Foundation to create an Operational Excellence programme at Alder Hey, based on best practice work undertaken internationally that has demonstrated clear improvement in quality and efficiency in healthcare settings. This has developed into the Trust’s Brilliant Basics programme, the aim of which is to drive strategy into action through a number of workstreams and managed by an Executive scorecard which will provide a monthly snapshot of whether the organisation is moving towards delivery against its four strategic priority areas. This dashboard consists of driver and watch metrics which will assist the Board and its committees in measuring effectiveness in the coming year. Over the last 12 months we have made significant progress in embedding the Brilliant Basics approach into how we work at Alder Hey. Bespoke training has been provided to frontline teams and senior leaders across all divisions. The Executive Team continue to undertake training and coaching to develop their Leadership for Improvement and the cascade of this into the rest of the organisation has started and will continue over the next phase of Brilliant Basics, integrating into our successful Strong Foundations Programme.

The Board’s assurance system is underpinned by the work of the Trust’s internal auditors which is overseen by the Audit and Risk Committee. Each year the Committee agrees an audit programme which aims to focus on areas of weakness

or potential risk in internal control and make recommendations to address deficits where these are identified. The Internal Auditors retain a database of remedial actions agreed as a result of audits and these are followed up by the Audit and Risk Committee until completed. During the last 12 months the Committee chair has retained a strong focus on the processes around the monitoring of internal audit recommendations and the provision of regular reports both from lead officers and internal audit, to ensure that any areas of limited assurance are followed up and relevant action taken.

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

## Collaboration and Benchmarking

- Playing a leading role in developing the national and local understanding of health inequalities in children, with a senior public health practitioner working 50/50 at Alder Hey and Liverpool City Council. In addition, an artificial intelligence model has been developed to identify those patients most likely to miss their appointment; this is being rolled out in the nine other paediatric accelerator trusts nationally.
- Continuing to be at the forefront of the development and use of patient level costing nationally, by chairing the Healthcare Financial Management Association (HFMA) Costing Group and various conferences and webinars. Alder Hey’s health inequalities work above is to be featured in the HFMA’s April 2022 briefing “Using cost data to address health inequalities.”
- Collaboration with specialist trusts across Liverpool strengthens, and we have developed a single procurement service across the organisations which is already starting to deliver significant benefits both in terms of efficiency and VFM.



“  
The Executive Team continue to undertake training and coaching to develop their Leadership for Improvement  
”

## Financial Governance and Intelligence

- Alder Hey is nationally recognised for finance staff development and training as a Level 3 Finance Skills Development accredited organisation.
- We continue to embed the workforce sustainability plan across the Trust with successful achievement of the NHSI agency cap threshold in year.

## Digital Futures

Alder Hey is now in the third year of its Digital Futures Strategy. The strategy builds upon many years of priority and investment in digital and technology. The strategy sets out an ambition to create an ethos of 'outstanding digital excellence' with a vision of creating a great experience and good outcomes for children, young people, families and staff.

In November 2021, Alder Hey achieved HIMSS Level 7, confirming Alder Hey as one of the most digitally mature trusts in the country against an international benchmark and accreditation. During 2021/22, the Digital Team at Alder Hey has continued to deliver many of its programmes to support the continuity of service provision to our patients and families safely, whilst operating under the structures imposed by COVID-19.

In June 2021, in collaboration with Liverpool Heart and Chest Hospital the iDigital service was launched. iDigital is an integrated digital service supporting both organisations. A consolidated leadership team is in place supporting both trusts. In September 2021, the Alder Hey digital teams were awarded the Skills and Development Network Excellence in Informatics Level 2 award. This recognises the embedding of digital across the Trust and the investment in digital workforce and profession.

## Information Governance

In 2018 the Information Governance Toolkit (IGT) was replaced with the Data Security and Protection Toolkit (DSPT). Whilst the standards have been updated it remains a tool which allows organisations to measure their compliance against law and central guidance and helps identify areas of partial or non-compliance. As a consequence of the pandemic NHS Digital has relaxed the usual end of March deadline for submission of returns for the 2021/22 toolkit and extended this to 30th June 2022.

The submission process is supported by an independent 2-phase audit process with Mersey Internal Audit Agency with an assurance opinion provided regarding robustness of evidence and information risk management.

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

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

It is anticipated the Trust will submit a fully compliant return. Furthermore, robustness of evidence and assurance have strengthened through a formal collaborative and partnership approach, working within a new integrated information governance function, supported by a dedicated Cyber Security resource. Outputs and delivery of the information governance work programme are monitored through the Trust's governance and committee structures.

During 2021/22 the Trust notified the ICO of one data security incident via the data security incident reporting tool and following a review of the incident the ICO have deemed no further action necessary.

## Data Quality and Governance

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

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

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

In June 2020 as part of its work to ensure the restoration of services, the Trust identified a significant adverse effect of COVID-19 on waiting times and backlogs. It subsequently introduced an improvement programme focused on Safe Waiting List Management, described in detail previously. This programme of work, steered by the Safe Waiting List Management Oversight Group, moved at pace to resolve the potential risks identified as a result of technical issues relating to the way in which waiting lists were previously calculated and reported. The Trust is pleased to report that no child waiting for treatment at Alder Hey has suffered harm. A key strand of this work was to re-set the Trust's data quality approach. The Trust has invested in additional leadership resource and expertise with the appointment of an Associate Chief Information Officer to lead on the data quality function.

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

- Review and update the Data Quality strategy and policy.
- Re-set the Data Quality Steering Group with the AD of Data and Analytics as Chair.
- Identify and address priority data quality metrics for safe waiting list management.
- Creation of a data quality dashboard as a live management tool for operational managers and pathway coordinators.
- Commissioned a DQ review through Mersey Internal Audit Agency.

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

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

## Review of Effectiveness

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

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

- The Board of Directors provides active leadership of the Trust within a framework of prudent controls that enable risk to be assessed and managed;
- The Audit and Risk Committee, as part of an integrated governance structure, is pivotal in advising the Board on the effectiveness of the system of internal control;
- The Committees of the Board are key components by which I am able to assess the effectiveness and assure the Board of risk management generally and clinical risk in particular via the Safety and Quality Assurance Committee, supported by the Clinical Quality Steering Group and by the Care Delivery Board;
- Internal Audit provides quarterly reports to the Audit and Risk Committee and full reports to the Director of Finance and other Trust Officers;

“  
**The Trust has invested in additional leadership resource and expertise with the appointment of an Associate Chief Information Officer**  
 ”



- The Director of Finance also meets regularly with internal and external audit managers;
- The Audit and Risk Committee holds clinical divisions and corporate departments to account for the effective management of their key risks via the Care Delivery Board;
- The establishment and oversight of a COVID-19 risk register presented each month to the Board during the pandemic;
- Full compliance with NHSE/I's Infection Prevention and Control Board Assurance Framework, which was also formally assessed by CQC during the year;
- Full compliance with the CQC's Patient FIRST framework to assess safety within A&E departments nationally;
- Other explicit review and assurance mechanisms include divisional risk registers linked to the Trust's operational plan and a range of independent assessments against key areas of control, as set out in the Assurance Framework.

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

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

- NHS England Provider Visit to review Winter Plans 2021/22
- UKAS Accreditation of Medical laboratories to assess requirements for quality and competence under ISO 15189:2012

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 2021/22 no significant internal control issues have been identified.

Signed:

*Louise Shepherd*

**LOUISE SHEPHERD CBE**

Chief Executive  
20th June 2022



## Supporting Our Staff

Central to the support of our staff through the pandemic has been the growing Staff Advice and Liaison Service (SALS), which offers an open door, easy access, rapid response listening service for any member of the Alder Hey Community to access. Since its launch in January 2020, the service has received over 4,000 contacts and has been central to ensuring the psychological safety and wellbeing of all staff through the pandemic. 100% of staff who have accessed the service said they would recommend the service to friends or colleagues in the organisation.



Following the last two years, the impact of the pandemic has been far reaching and has impacted our staff in many different ways. SALS has been able to respond to both individuals and also to teams, to give them space and time and find a way forward together.

Our staff also have access to a range of support for their health and wellbeing including Occupational Health services, Staff Advice and Liaison Service (SALS) and the Alder Centre staff counselling service.

# Annual Accounts

Alder Hey Children's NHS Foundation Trust -  
Annual Accounts for the year ended 31 March  
2022.

## Foreword to the Accounts

### Alder Hey Children's NHS Foundation Trust

These accounts, for the year ended 31 March 2022, have been prepared by Alder Hey Children's NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed: *Louise Shepherd*

**LOUISE SHEPHERD CBE**  
Chief Executive  
20th June 2022



# Statement of Comprehensive Income

	Note	2021/22 £000	2020/21 £000
Operating Income from Patient Care Activities	3	338,636	286,980
Other Operating Income	4	48,672	43,073
Operating Expenses	6, 8	(379,775)	(330,955)
<b>Operating Surplus/(Deficit) From Continuing Operations</b>		<b>7,533</b>	<b>(902)</b>
Finance Income	11	44	18
Finance Expenses	12	(9,300)	(9,469)
PDC Dividends Payable		(1,113)	(161)
<b>Net Finance Costs</b>		<b>(10,369)</b>	<b>(9,612)</b>
Other Gains	13	84	44
Share of Profit/(Losses) of Associates/ Joint Arrangements	20	-	-
Gains/(Losses) Arising from Transfers by Absorption	44	-	-
Corporation Tax Expense		-	-
<b>(Deficit) for the Year From Continuing Operations</b>		<b>(2,752)</b>	<b>(10,470)</b>
Surplus/(Deficit) on Discontinued Operations and the Gain/ (Loss) on Disposal of Discontinued Operations	15	-	-
<b>(Deficit) for the Year</b>		<b>(2,752)</b>	<b>(10,470)</b>
<b>Other Comprehensive Income</b>			
<b>Will Not be Reclassified to Income and Expenditure:</b>			
Impairments	7	-	(228)
Revaluations	18	5,404	251
Share of Comprehensive Income from Associates and Joint Ventures	20	-	-
Fair Value Gains/(Losses) On Equity Instruments Designated at Fair Value Through OCI	21	-	-
Other Recognised Gains and Losses		-	(251)
Re-measurements of the Net Defined Benefit Pension Scheme Liability/Asset	37	-	-
Gain/(Loss) Arising from on Transfers by Modified Absorption	44	-	-
Other reserve movements		-	-
<b>May be reclassified to income and expenditure when certain conditions are met:</b>			
Fair Value Gains/(Losses) on Financial Assets Mandated at Fair Value through OCI	21	-	-
Recycling Gains/(Losses) on Disposal of Financial Assets Mandated at Fair Value through OCI	13	-	-
Foreign Exchange Gains/(Losses) Recognised Directly in OCI		-	-
<b>Total Comprehensive Income/(Expense) for the Period</b>		<b>2,652</b>	<b>(10,698)</b>



# Statement of Financial Position

	Note	31 March 2022 £000	31 March 2021 £000
<b>Non-Current Assets:</b>			
Intangible Assets	15	32,201	22,466
Property, Plant and Equipment	16	233,126	220,999
Investment Property	19	-	-
Investments in Associates and Joint Ventures	20	-	-
Other Investments/Financial Assets	21	-	-
Receivables	24	1,381	494
Other Assets	25	-	-
<b>Total Non-Current Assets</b>		<b>266,708</b>	<b>243,959</b>
<b>Current Assets:</b>			
Inventories	23	3,752	3,517
Receivables	24	23,224	21,496
Other Investments/Financial Assets	21	-	-
Other Assets	25	-	-
Non-Current Assets for Sale and Assets in Disposal Groups	26.1	-	-
Cash and Cash Equivalents	27	91,463	92,708
<b>Total Current Assets</b>		<b>118,439</b>	<b>117,721</b>
<b>Current Liabilities:</b>			
Trade and Other Payables	28	(76,848)	(69,030)
Borrowings	30	(5,412)	(5,428)
Other Financial Liabilities	31	-	-
Provisions	33	(6,197)	(938)
Other Liabilities	29	(3,332)	(3,977)
Liabilities in Disposal Groups	26.2	-	-
<b>Total Current Liabilities</b>		<b>(91,789)</b>	<b>(79,373)</b>
<b>Total Assets Less Current Liabilities</b>		<b>293,358</b>	<b>282,307</b>
<b>Non-Current Liabilities</b>			
Trade and Other Payables	28	-	-
Borrowings	30	(134,159)	(139,519)
Other Financial Liabilities	31	-	-
Provisions	33	(7,333)	(1,058)
Other Liabilities	29	(3,284)	(3,421)
<b>Total Non-Current Liabilities</b>		<b>(144,776)</b>	<b>(143,998)</b>
<b>Total Assets Employed</b>		<b>148,582</b>	<b>138,309</b>
<b>Financed by</b>			
Public Dividend Capital		94,539	86,918
Revaluation Reserve		7,107	1,722
Financial Assets Reserve		-	-
Other Reserves		-	-
Merger Reserve		-	-
Income and Expenditure Reserve		46,936	49,669
<b>Total Taxpayers' Equity</b>		<b>148,582</b>	<b>138,309</b>

The notes on pages 126 to 168 form part of these accounts.

Signed: *Louise Shepherd*

**LOUISE SHEPHERD CBE**  
Chief Executive  
20th June 2022

# Statement of Changes in Equity for the Year Ended 31 March 2022

	Public Dividend Capital £000	Revaluation Reserve £000	Financial Assets Reserve £000	Other Reserves £000	Merger Reserve £000	Income and Expenditure Reserve £000	Total £000
<b>Taxpayers' and Others' Equity at 1 April 2021 - Brought Forward</b>	<b>86,918</b>	<b>1,722</b>	-	-	-	<b>49,669</b>	<b>138,309</b>
Surplus/(Deficit) for the Year	-	-	-	-	-	(2,752)	(2,752)
Gain/(Loss) Arising from Transfers by Modified Absorption	-	-	-	-	-	-	-
Transfers By Absorption: Transfers Between Reserves	-	-	-	-	-	-	-
Transfer From Revaluation Reserve to Income and Expenditure Reserve for Impairments Arising from Consumption of Economic Benefits	-	-	-	-	-	-	-
Other Transfers Between Reserves	-	(19)	-	-	-	19	-
Impairments	-	-	-	-	-	-	-
Revaluations	-	5,404	-	-	-	-	<b>5,404</b>
Transfer to Retained Earnings on Disposal of Assets	-	-	-	-	-	-	-
Share of Comprehensive Income from Associates and Joint Ventures	-	-	-	-	-	-	-
Fair Value Gains/(Losses) on Financial Assets Mandated at Fair Value Through OCI	-	-	-	-	-	-	-
Fair Value Gains/(Losses) on Equity Instruments Designated at Fair Value Through OCI	-	-	-	-	-	-	-
Recycling Gains/(Losses) on Disposal of Financial Assets Mandated at Fair Value Through OCI	-	-	-	-	-	-	-
Foreign Exchange Gains/(Losses) Recognised Directly Through OCI	-	-	-	-	-	-	-
Other Recognised Gains and Losses	-	-	-	-	-	-	-
Remeasurements of the Defined Net Benefit Pension Scheme Liability/Asset	-	-	-	-	-	-	-
Public Dividend Capital Received	7,621	-	-	-	-	-	<b>7,621</b>
Public Dividend Capital Repaid	-	-	-	-	-	-	-
Public Dividend Capital Written Off	-	-	-	-	-	-	-
Other Movements in Public Dividend Capital in Year	-	-	-	-	-	-	-
Other Reserve Movements	-	-	-	-	-	-	-
<b>Taxpayers' and Others' Equity at 31 March 2022</b>	<b>94,539</b>	<b>7,107</b>	-	-	-	<b>46,936</b>	<b>148,582</b>

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

	Public Dividend Capital £000	Revaluation Reserve £000	Financial Assets Reserve £000	Other Reserves £000	Merger Reserve £000	Income and Expenditure Reserve £000	Total £000
<b>Taxpayers' and Others' Equity at 1 April 2020 - Brought Forward</b>	<b>68,255</b>	<b>1,973</b>	-	-	-	<b>60,116</b>	<b>130,344</b>
Prior Period Adjustment	-	-	-	-	-	-	-
<b>Taxpayers' and Others' Equity at 1 April 2020 - Brought Forward</b>	<b>68,255</b>	<b>1,973</b>	-	-	-	<b>60,116</b>	<b>130,344</b>
Surplus/(Deficit) for the Year	-	-	-	-	-	(10,470)	<b>(10,470)</b>
Gain/(Loss) Arising from Transfers by Modified Absorption	-	-	-	-	-	-	-
Transfers By Absorption: Transfers Between Reserves	-	-	-	-	-	-	-
Transfer From Revaluation Reserve to Income and Expenditure Reserve for Impairments Arising from Consumption of Economic Benefits	-	-	-	-	-	-	-
Other Transfers Between Reserves	-	(23)	-	-	-	23	-
Impairments	-	(228)	-	-	-	-	<b>(228)</b>
Revaluations	-	251	-	-	-	-	<b>251</b>
Transfer to Retained Earnings on Disposal of Assets	-	-	-	-	-	-	-
Share of Comprehensive Income from Associates and Joint Ventures	-	-	-	-	-	-	-
Fair Value Gains/(Losses) on Financial Assets Mandated at Fair Value Through OCI	-	-	-	-	-	-	-
Fair Value Gains/(Losses) on Equity Instruments Designated at Fair Value Through OCI	-	-	-	-	-	-	-
Recycling Gains/(Losses) on Disposal of Financial Assets Mandated at Fair Value Through OCI	-	-	-	-	-	-	-
Foreign Exchange Gains/(Losses) Recognised Directly Through OCI	-	-	-	-	-	-	-
Other Recognised Gains and Losses	-	(251)	-	-	-	-	<b>(251)</b>
Remeasurements of the Defined Net Benefit Pension Scheme Liability/Asset	-	-	-	-	-	-	-
Public Dividend Capital Received	18,663	-	-	-	-	-	<b>18,663</b>
Public Dividend Capital Repaid	-	-	-	-	-	-	-
Public Dividend Capital Written Off	-	-	-	-	-	-	-
Other Movements in Public Dividend Capital in Year	-	-	-	-	-	-	-
Other Reserve Movements	-	-	-	-	-	-	-
<b>Taxpayers' and Others' Equity at 31 March 2021</b>	<b>86,918</b>	<b>1,722</b>	-	-	-	<b>49,669</b>	<b>138,309</b>

## Information on Reserves

### Public Dividend Capital

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

### Revaluation Reserve

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

### Financial Assets Reserve

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

### Other Reserves

The Trust currently has no other reserves

### Merger Reserve

This legacy reserve reflects balances formed on previous mergers of NHS bodies.

### Income and Expenditure Reserve

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



# Statement of Cash Flows

	Note	2021/22 £000	2020/21 £000
<b>Cash Flows from Operating Activities</b>			
Operating Surplus/(Deficit)		7,533	(902)
<b>Non-Cash Income and Expense:</b>			
Depreciation and Amortisation	6.1	12,583	10,281
Net Impairments	7	1,137	9,833
Income Recognised in Respect of Capital Donations	4	(451)	(1,551)
Amortisation of PFI Deferred Credit		(137)	(137)
(Increase)/Decrease in Receivables and Other Assets		(3,192)	5,876
(Increase) in Inventories		(235)	(50)
Increase in Payables and Other Liabilities		7,757	16,814
Increase in Provisions		11,541	558
Tax (Paid)/Received		-	-
Operating Cash Flows from Discontinued Operations		-	-
Other Movements in Operating Cash Flows		-	(251)
<b>Net Cash Flows from Operating Activities</b>		<b>36,536</b>	<b>40,471</b>
<b>Cash Flows from Investing Activities</b>			
Interest Received		44	18
Purchase of Intangible Assets		(4,712)	(5,674)
Purchase of PPE and Investment Property		(25,855)	(28,435)
Sales of PPE and Investment Property		84	44
Receipt of Cash Donations to Purchase Assets		256	1,551
<b>Net Cash Flows (used in) Investing Activities</b>		<b>(30,183)</b>	<b>(32,496)</b>
<b>Cash Flows from Financing Activities</b>			
Public Dividend Capital Received		7,621	18,663
Movement on Loans from the Department of Health and Social Care		(2,759)	(10,759)
Capital Element of Finance Lease Rental Payments		(174)	(147)
Capital Element of PFI, LIFT and Other Service Concession Payments		(2,440)	(2,105)
Interest on Loans		(974)	(1,059)
Interest Paid on Finance Lease Liabilities		(13)	(18)
Interest Paid on PFI, LIFT and Other Service Concession Obligations		(8,323)	(8,422)
PDC Dividend (Paid)		(536)	(1,450)
<b>Net Cash Flows from/(used in) Financing Activities</b>		<b>(7,598)</b>	<b>(5,297)</b>
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>		<b>(1,245)</b>	<b>2,678</b>
<b>Cash and Cash Equivalents at 1 April - Brought Forward</b>		<b>92,708</b>	<b>90,030</b>
Prior Period Adjustments		-	-
<b>Cash and Cash Equivalents at 1 April - Restated</b>		<b>92,708</b>	<b>90,030</b>
Cash and Cash Equivalents Transferred under Absorption Accounting	44	-	-
Unrealised Gains/(Losses) on Foreign Exchange		-	-
<b>Cash and Cash Equivalents at 31 March</b>	27.1	<b>91,463</b>	<b>92,708</b>

# Notes to the Accounts

## 1. Accounting Policies and Other Information

### 1.1 Basis of Preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

### 1.2 Going Concern

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

These accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of IAS1 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents". The directors of the Trust have considered whether there are any local or national policy decisions that

are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the Cheshire and Merseyside ICS and continues to provide specialist services across the North West that are part of the ICS forward looking plans. No circumstances were identified causing the directors to doubt the continued provision of NHS services.

This year the Trust reported an operating surplus of £7,532k and recorded an accounting deficit of £2,753k, primarily due to recognition of finance expenses, which relate to the accounting for PFI schemes, however it did achieve a control total surplus of £0.1m against which its financial performance as measured by NHSI.

Income from commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which improved liquidity and cash flow during the year. For 2022/23 the planning guidance has been confirmed and block funding arrangements are set to continue with some minor amendments around incentives for the delivery of elective care and these arrangements are expected to continue for at least the 2022/23 financial year.

The Trust has produced its financial plans for 2022/23 based on these assumptions which have been approved by the Trust Board and by the Cheshire & Merseyside ICS level. The control target for the 2022/23 year agreed with ICS is a £4.6m surplus. The Trust has a proven track record of consistently meeting the performance and control totals set by the regulator and over the last 5 years has delivered significant surpluses to support the sustainability of the Trust, and the Trust is therefore reasonably assured of the achievability of this financial targets.

Our going concern assessment is made up to 30/07/2023, with internal base case and downside scenarios for liquidity assessed to September 2023. This includes assessment of the full 2022/23 financial year.

This models downside risk in relation to failure to achieve operating targets and non delivery of cost improvement plans. The Trust has assumed that;

- Service requirements will remain broadly unchanged over the period,
- The Trust expenditure to meet these requirements will remain stable,
- The income received from commissioners and the ICS will as a minimum match the levels agreed and included in the 2022/23 plans, and
- Capital development plans and capital expenditure cash requirements will progress in line with the current plans & timetable.

The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period to 30 September 2023. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period with a minimum cash position of £66m. Interim support can be accessed if it were required, but there is currently no such requirement identified.

In conclusion, these factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts.

## 1.3 Interests in Other Entities

### Associates

Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g. share dividends are received by the Trust from the associate.

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

### Joint Ventures

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

### Joint Operations

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

## 1.4 Revenue from Contracts with Customers

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

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

### Revenue from NHS Contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at an Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

### Revenue from Research Contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date.

It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

### **NHS Injury Cost Recovery Scheme**

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

## **1.5 Other Forms of Income**

### **Grants and Donations**

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

### **Apprenticeship Service Income**

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

## **1.6 Expenditure on Employee Benefits**

### **Short-term Employee Benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at

the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

### **Pension Costs**

#### **NHS Pension Scheme**

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

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

### **Holiday Pay Accrual**

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

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

## **1.7 Expenditure on Other Goods and Services**

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



## 1.8 Discontinued Operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

## 1.9 Property, Plant and Equipment

### Recognition

Property, plant and equipment is capitalised where:

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

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

### Subsequent Expenditure

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

## Measurement

### Valuation

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

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

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

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

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23,

borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

### Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

### Revaluation Gains and Losses

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

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

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

### Impairments

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would

have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

### De-Recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

### Donated and Grant Funded Assets

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

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

This includes assets donated to the Trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

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

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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

	Minimum Life Years	Maximum Life Years
Land	-	-
Buildings, Excluding Dwellings	1	91
Dwellings	40	40
Plant and Machinery	1	20
Transport Equipment	-	-
Information Technology	5	11
Furniture and Fittings	2	11

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

The Trust has buildings with a Total Asset Life of 1 year to reflect the remaining old retained estate buildings yet to be demolished. These buildings will be disposed of from the asset register when demolished as part of the Springfield Park reinstatement

## 1.10 Intangible Assets

### Recognition

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

### Internally Generated Intangible Assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

### Software

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

### Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

### Amortisation

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

## Useful Lives of Intangible Assets

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

	Minimum Life Years	Maximum Life Years
Information Technology	-	-
Development Expenditure	-	-
Websites	-	-
Software Licences	-	10
Licences & Trademarks	-	-
Patents	-	-
Other (Purchased)	-	-
Goodwill	-	-

### 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

### 1.12 Investment Properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

## 1.13 Cash and Cash Equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

## 1.14 Financial Assets and Financial Liabilities

### Recognition

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

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

### Classification and Measurement

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

## **Financial Assets and Financial Liabilities at Amortised Cost**

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

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

## **Financial Assets Measured at Fair Value Through Other Comprehensive Income**

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

## **Financial Assets and Financial Liabilities at Fair Value Through Income and Expenditure**

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements

in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Up to 17th March 2020, the Trust had entered into a joint venture with Alder Hey Children's Charity for development of patient experience. After this date the joint venture became a wholly owned subsidiary.

## **Impairment of Financial Assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

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

Expected credit losses are determined using historical losses as a guide. Specific impairment provisions are made for non contract receivables where required. Credit losses with other NHS bodies are not normally recognised unless there is evidence of impairment.

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

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

## **De-Recognition**

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

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

## 1.15 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 a Lessee

#### Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

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

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

#### Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

#### Leases of Land and Buildings

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

### The Trust as a Lessor

#### Finance Leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

## Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

## 1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022:

		Nominal Rate	Prior Year Rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
Very long-term	Exceeding 40 years	0.66%	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2022:

	Inflation Rate	Prior Year Rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into Perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

## Clinical Negligence Costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 33.2 but is not recognised in the Trust's accounts.

## Non-Clinical Risk Pooling

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

### 1.17 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 34 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 34, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

### 1.18 Public Dividend Capital

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

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

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

This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

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

### 1.19 Value Added Tax

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

### 1.20 Corporation Tax

As an NHS Body the Trust is not directly subject to Corporation Tax.

### 1.21 Climate Change Levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

## 1.22 Foreign Exchange

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- Monetary items are translated at the spot exchange rate on 31 March
- Non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- Non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

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- Monetary items are translated at the spot exchange rate on 31 March
- Non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- Non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

## 1.23 Third Party Assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

## 1.24 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

## 1.25 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

## 1.26 Transfers of Functions (to/from) (Other NHS Bodies/Local Government Bodies)

There have been no transfers of functions either into or out of Alder Hey to any other NHS bodies/local government bodies.

## 1.27 Early Adoption of Standards, Amendments and Interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.



## 1.28 Standards, Amendments and Interpretations in Issue but not yet Effective or Adopted

### IFRS 16 Leases

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

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

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

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

The Trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
<b>Estimated Impact on 1 April 2022</b>	
<b>Statement of Financial Position</b>	
Additional Right of Use Assets Recognised For Existing Operating Leases	4,482
Additional Lease Obligations Recognised For Existing Operating Leases	(4,482)
Changes To Other Statement of Financial Position Line Items	-
<b>Net Impact On Net Assets On 1 April 2022</b>	<b>-</b>
<b>Estimated In-Year Impact In 2022/23</b>	
Additional Depreciation on Right of Use Assets	(715)
Additional Finance Costs on Lease Liabilities	(45)
Lease Rentals No Longer Charged To Operating Expenditure	742
Other Impact On Income/Expenditure	-
<b>Estimated Impact On Surplus/Deficit in 2022/23</b>	<b>(18)</b>
<b>Estimated Increase in Capital Additions For New Leases Commencing in 2022/23</b>	<b>-</b>

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to RPI. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

### Other Standards, Amendments and Interpretations

No new accounting standards or revisions to existing standards have been adopted in 2021/22.

### 1.29 Critical Judgements in Applying Accounting Policies

The Trust has nothing significant to disclose in this area.

### 1.30 Sources of Estimation Uncertainty

The Trust has nothing significant to disclose in this area.

## 2. Operating Segments

The Trust has considered segmental reporting and the Chief Executive and the Board receive sufficient and appropriate high level information to enable the business to be managed effectively and to monitor and manage the strategic aims of the Trust. Sufficiently detailed information is used by middle and lower management to ensure effective management at an operational level. Neither of these are sufficiently discrete to profile operating segments, as defined by IFRS8, that would enable a user of these financial statements to evaluate the nature and financial effects of the business activities that the Trust undertakes. Therefore the Trust has decided that it has one operating segment for healthcare provision.

## 3. Operating Income from Patient Care Activities

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

3.1 Income from Patient Care Activities (by Nature)	2021/22 £000	2020/21 £000
<b>Acute Services</b>		
Block Contract/System Envelope Income	236,560	197,590
High Cost Drugs Income from Commissioners (Excluding Pass-Through Costs)	30,264	30,633
Other NHS Clinical Income	20,388	21,272
<b>Mental Health Services</b>		
Block Contract/System Envelope Income	18,151	13,135
<b>Community Services</b>		
Block Contract/System Envelope Income	13,512	15,688
Income from Other Sources (e.g. Local Authorities)	1,038	668
<b>All Services</b>		
Private Patient Income	474	77
Elective recovery fund	9,488	-
Additional Pension Contribution Central Funding	8,131	7,439
Other Clinical Income	630	478
<b>Total Income from Activities</b>	<b>338,636</b>	<b>286,980</b>

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

### 3.2 Income from Patient Care Activities (by Source)

	2021/22 £000	2020/21 £000
<b>Income from Patient Care Activities Received from:</b>		
NHS England	182,851	174,041
Clinical Commissioning Groups	127,928	90,445
Other NHS Providers	1,859	617
Local Authorities	1,038	668
Non-NHS: Private Patients	474	77
Non-NHS: Overseas Patients (Chargeable to Patient)	22	-
Injury Cost Recovery Scheme	608	478
Non NHS: Other	23,856	20,654
<b>Total Income from Activities</b>	<b>338,636</b>	<b>286,980</b>
<b>Of Which:</b>		
Related to Continuing Operations	338,636	286,980
Related to Discontinued Operations	-	-

### 3.3 Overseas Visitors (Relating to Patients Charged Directly by the Provider)

	2021/22 £000	2020/21 £000
Income Recognised this Year	22	-
Cash Payments Received In-Year	22	-
Amounts Added to Provision for Impairment of Receivables	-	-
Amounts Written off In-Year	-	-

## 4. Other Operating Income

	2021/22			2020/21		
	Contract Income	Non- Contract Income	Total	Contract Income	Non- Contract Income	Total
	£000	£000	£000	£000	£000	£000
Research and Development	5,793	-	5,793	5,439	-	5,439
Education and Training	10,672	-	10,672	8,383	-	8,383
Non-Patient Care Services to Other Bodies	24,212	-	24,212	4,045	-	4,045
Reimbursement and Top Up Funding	1,784	-	1,784	17,219	-	17,219
Income in Respect of Employee Benefits Accounted on a Gross Basis	621	-	621	537	-	537
Receipt of Capital Grants and Donations	-	451	451	-	1,551	1,551
Charitable and Other Contributions to Expenditure	-	1,253	1,253	-	2,999	2,999
Support from the Department of Health and Social Care for Mergers	-	-	-	-	-	-
Rental Revenue From Finance Leases	-	-	-	-	-	-
Rental Revenue From Operating Leases	-	-	-	-	-	-
Amortisation of PFI Deferred Income/Credits	-	137	137	-	137	137
Other Income	3,749	-	3,749	2,763	-	2,763
<b>Total Other Operating Income</b>	<b>46,831</b>	<b>1,841</b>	<b>48,672</b>	<b>38,386</b>	<b>4,687</b>	<b>43,073</b>
<b>Of Which:</b>						
Related to Continuing Operations			48,672			43,073
Related to Discontinued Operations			-			-

## 5.1 Additional Information on Contract Revenue (IFRS 15) Recognised in the Period

	2021/22 £000	2020/21 £000
Revenue Recognised in the Reporting Period That Was Included in Within Contract Liabilities at the Previous Period End		1,155
Revenue Recognised From Performance Obligations Satisfied (or Partially Satisfied) in Previous Periods		

## 5.2 Transaction Price Allocated to Remaining Performance Obligations

	31 March 2022 £000	31 March 2021 £000
Revenue from Existing Contracts allocated to Remaining Performance Obligations is Expected to be Recognised:		
Within One Year		
After One Year, Not Later Than Five Years		
After Five Years		
<b>Total revenue allocated to remaining performance obligations</b>	-	-

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

## 5.3 Income from Activities Arising from Commissioner Requested Services

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

	2021/22 £000	2020/21 £000
Income From Services Designated as Commissioner Requested Services	310,091	289,606
Income From Services Not Designated as Commissioner Requested Services	68,152	36,180
<b>Total</b>	<b>378,243</b>	<b>325,786</b>

## 5.4 Profits and Losses on Disposal of Property, Plant and Equipment

The Trust has experienced no material gains or losses in relation to the disposal of property, plant and equipment.

## 5.5 Fees and Charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2021/22 £000	2020/21 £000
Income	-	-
Full cost	-	-
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>

## 6.1 Operating Expenses

	2021/22 £000	2020/21 £000
Purchase of Healthcare from NHS Bodies and DHSC Bodies	14,585	-
Purchase of Healthcare From Non-NHS and Non-DHSC Bodies	2,143	2,126
Purchase of Social Care	-	-
Staff and Executive Directors Costs	208,974	193,427
Remuneration of Non-Executive Directors	146	155
Supplies and Services - Clinical (Excluding Drugs Costs)	27,923	23,738
Supplies and Services - General	2,837	2,435
Drug Costs (Drugs Inventory Consumed and Purchase of Non-Inventory Drugs)	41,242	34,741
Inventories Written Down	-	-
Consultancy Costs	1,975	1,027
Establishment	3,450	3,191
Premises	18,686	14,008
Transport (Including Patient Travel)	433	311
Depreciation on Property, Plant and Equipment	8,515	7,874
Amortisation on Intangible Assets	4,068	2,407
Net Impairments	1,137	9,833
Movement in Credit Loss Allowance: Contract Receivables/Contract Assets	75	(284)
Movement in Credit Loss Allowance: All Other Receivables and Investments	21	446
Increase/(Decrease) in Other Provisions	7,584	-
Change in Provisions Discount Rate(s)	(12)	(18)
Fees Payable to the External Auditor		
Audit Services - Statutory Audit	-	-
Other Auditor Remuneration (External Auditor Only)	122	84
Internal Audit Costs	-	57
Clinical Negligence	4,383	4,054
Legal Fees	952	980
Insurance	317	390
Research and Development	4,594	5,954
Education and Training	10,271	8,860
Rentals Under Operating Leases	566	395
Early Retirements	114	138
Redundancy	82	106
Charges to Operating Expenditure for On-SoFP IFRIC 12 Schemes (e.g. PFI/LIFT)	3,993	3,859
Charges to Operating Expenditure for Off-SoFP PFI / LIFT Schemes	-	-
Car Parking and Security	1,260	1,112
Hospitality	23	7
Losses, Ex Gratia and Special Payments	-	102
Grossing up Consortium Arrangements	-	-
Other Services, e.g. External Payroll	266	237
Other	9,050	9,203
<b>Total</b>	<b>379,775</b>	<b>330,955</b>
<b>Of Which:</b>		
Related to Continuing Operations	379,775	330,955
Related to Discontinued Operations	-	-

## 6.2 Other Auditor Remuneration

	2021/22 £000	2020/21 £000
<b>Other Auditor Remuneration Paid to the External Auditor:</b>		
1. Audit Of Accounts of Any Associate of The Trust	-	-
2. Audit-Related Assurance Services	122	84
3. Taxation Compliance Services	-	-
4. All Taxation Advisory Services Not Falling Within Item 3 Above	-	-
5. Internal Audit Services	-	-
6. All Assurance Services Not Falling Within Items 1 To 5	-	-
7. Corporate Finance Transaction Services Not Falling Within Items 1 to 6 Above	-	-
8. Other Non-Audit Services Not Falling Within Items 2 to 7 Above	-	-
<b>Total</b>	<b>122</b>	<b>84</b>

## 6.3 Limitation on Auditor's Liability

The limitation on auditor's liability for external audit work is £2 million (2020/21: £2 million).

## 7. Impairment of Assets

	2021/22 £000	2020/21 £000
<b>Net Impairments Charged to Operating Surplus/Deficit Resulting From:</b>		
Loss or Damage From Normal Operations	-	-
Over Specification of Assets	-	-
Abandonment Of Assets In Course of Construction	-	-
Unforeseen Obsolescence	-	-
Loss as a Result of Catastrophe	-	-
Changes in Market Price	-	-
Other	1,137	9,833
<b>Total Net Impairments Charged to Operating Surplus/Deficit</b>	<b>1,137</b>	<b>9,833</b>
Impairments Charged to the Revaluation Reserve	-	228
<b>Total Net Impairments</b>	<b>1,137</b>	<b>10,061</b>

Impairment relates to recognition of the reduced value following a fire on the Knotty Ash Nursing home site in 2021.

## 8. Employee Benefits

	2021/22 £000	2020/21 £000
Salaries and Wages	173,484	162,035
Social Security Costs	15,146	13,548
Apprenticeship Levy	747	680
Employer's Contributions to NHS Pensions	26,760	24,511
Pension Cost - Other	-	63
Other Post Employment Benefits	-	-
Other Employment Benefits	-	-
Termination Benefits	-	-
Temporary Staff (Including Agency)	9,652	9,061
<b>Total Gross Staff Costs</b>	<b>225,789</b>	<b>209,898</b>
Recoveries in Respect of Seconded Staff	(1,593)	(1,380)
<b>Total Staff Costs</b>	<b>224,196</b>	<b>208,518</b>
<b>Of Which</b>		
Costs Capitalised as Part of Assets	2,728	2,984

### 8.1 Retirements Due to Ill-Health

During 2021/22 there were 4 early retirements from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £140k (£3k in 2020/21).

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

## 9. Pension Costs

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years,

with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting Valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

#### B) Full Actuarial (Funding) Valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required.

The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>

## 10. Operating Leases

### 10.1 Alder Hey Children's NHS Foundation Trust as a Lessor

This note discloses income generated in operating lease agreements where Alder Hey Children's NHS Foundation Trust is the lessor.

	2021/22 £000	2020/21 £000
<b>Operating Lease Revenue</b>		
Minimum Lease Receipts	-	-
Contingent Rent	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Future Minimum Lease Payments Due:</b>		
- Not Later Than One Year;	-	-
- Later Than One Year and Not Later Than Five Years;	-	-
- Later Than Five Years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 10.2 Alder Hey Children's NHS Foundation Trust as a Lessee

This note discloses costs and commitments incurred in operating lease arrangements where Alder Hey Children's NHS Foundation Trust is the lessee.

	2021/22 £000	2020/21 £000
<b>Operating Lease Expense</b>		
Minimum Lease Payments	566	395
Contingent Rents	-	-
Less Sublease Payments Received	-	-
<b>Total</b>	<b>566</b>	<b>395</b>
	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Future Minimum Lease Payments Due:</b>		
- Not Later Than One Year;	720	419
- Later Than One Year and Not Later Than Five Years;	2,830	100
- Later Than Five Years	1,224	-
<b>Total</b>	<b>4,774</b>	<b>519</b>
- Later Than Five Years	-	-

## 11. Finance Income

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

	2021/22 £000	2020/21 £000
Interest on Bank Accounts	44	18
Interest Income on Finance Leases	-	-
Interest on Other Investments / Financial Assets	-	-
Other Finance Income	-	-
<b>Total</b>	<b>44</b>	<b>18</b>



## 12.

### 12.1 Finance Expenditure

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

	2021/22 £000	2020/21 £000
<b>Interest Expense:</b>		
Loans from the Department of Health and Social Care	971	1,033
Other Loans	-	-
Overdrafts	-	-
Finance Leases	13	18
Interest on Late Payment of Commercial Debt	-	-
Main Finance Costs on PFI and LIFT Scheme Obligations	7,440	7,614
Contingent Finance Costs on PFI and LIFT Scheme Obligations	883	808
<b>Total Interest Expense</b>	<b>9,307</b>	<b>9,473</b>
Unwinding of Discount on Provisions	(7)	(4)
Unwinding of Discount on Provisions	-	-
<b>Total Finance Costs</b>	<b>9,300</b>	<b>9,469</b>

### 12.2 The Late Payment of Commercial Debts (Interest) Act 1998 / Public Contract Regulations 2015

	2021/22 £000	2020/21 £000
Total Liability Accruing In Year Under This Legislation as a Result of Late Payments	-	-
Amounts Included Within Interest Payable Arising From Claims Made Under This Legislation	-	-
Compensation Paid to Cover Debt Recovery Costs Under This Legislation	-	-

## 13. Other Gains/(Losses)

	2021/22 £000	2020/21 £000
Gains on Disposal of Assets	84	44
Losses on Disposal of Assets	-	-
<b>Total Gains/(Losses) on Disposal of Assets</b>	<b>84</b>	<b>44</b>
Gains/(losses) on Foreign Exchange	-	-
Fair Value Gains/(Losses) on Investment Properties	-	-
Fair Value Gains/(Losses) on Financial Assets/Investments	-	-
Fair Value Gains/(Losses) on Financial Liabilities	-	-
Recycling Gains/(Losses) on Disposal of Financial Assets Mandated as Fair Value through OCI	-	-
Other Gains/(Losses)	-	-
<b>Total Other Gains/(Losses)</b>	<b>84</b>	<b>44</b>

## 14. Discontinued Operations

	2021/22 £000	2020/21 £000
Operating Income of Discontinued Operations	-	-
Operating Expenses of Discontinued Operations	-	-
Gain on Disposal of Discontinued Operations	-	-
(Loss) on Disposal of Discontinued Operations	-	-
Corporation Tax Expense Attributable to Discontinued Operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 15. Intangible Assets

### 15.1 Intangible Assets - 2021/22

	Software Licences £000	Intangible Assets Under Construction £000	Total £000
<b>Valuation/Gross Cost At 1 April 2021 - Brought Forward</b>	<b>22,570</b>	<b>10,210</b>	<b>32,780</b>
Additions	3,026	3,027	6,053
Reclassifications	12,046	(4,296)	7,750
<b>Valuation/Gross Cost at 31 March 2022</b>	<b>37,642</b>	<b>8,941</b>	<b>46,583</b>
<b>Amortisation at 1 April 2021 - Brought Forward</b>	<b>10,314</b>	<b>-</b>	<b>10,314</b>
Provided During The Year	4,068	-	4,068
<b>Amortisation at 31 March 2022</b>	<b>14,382</b>	<b>-</b>	<b>14,382</b>
<b>Net Book Value at 31 March 2022</b>	<b>23,260</b>	<b>8,941</b>	<b>32,201</b>
<b>Net Book Value at 1 April 2021</b>	<b>12,256</b>	<b>10,210</b>	<b>22,466</b>

### 15.2 Intangible Assets - 2020/21

	Software Licences £000	Intangible Assets Under Construction £000	Total £000
<b>Valuation/Gross Cost At 1 April 2020 - As Previously Stated</b>	<b>21,010</b>	<b>2,728</b>	<b>23,738</b>
Prior Period Adjustments	-	-	-
<b>Valuation/Gross Cost At 1 April 2020 - Restated</b>	<b>21,010</b>	<b>2,728</b>	<b>23,738</b>
Additions	1,560	7,482	9,042
<b>Valuation/Gross Cost at 31 March 2021</b>	<b>22,570</b>	<b>10,210</b>	<b>32,780</b>
<b>Amortisation At 1 April 2020 - As Previously Stated</b>	<b>7,907</b>	<b>-</b>	<b>7,907</b>
Prior Period Adjustments	-	-	-
<b>Amortisation at 1 April 2020 - Restated</b>	<b>7,907</b>	<b>-</b>	<b>7,907</b>
Provided During the Year	2,407	-	2,407
<b>Amortisation at 31 March 2021</b>	<b>10,314</b>	<b>-</b>	<b>10,314</b>
<b>Net Book Value at 31 March 2021</b>	<b>12,256</b>	<b>10,210</b>	<b>22,466</b>
<b>Net Book Value at 1 April 2020</b>	<b>13,103</b>	<b>2,728</b>	<b>15,831</b>

## 16. Property, Plant and Equipment

### 16.1 Property, Plant and Equipment - 2021/22

	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
<b>Valuation/Gross Cost at 1 April 2021 - Brought Forward</b>	<b>4,028</b>	<b>158,164</b>	<b>103</b>	<b>33,463</b>	<b>36,163</b>	<b>-</b>	<b>19,780</b>	<b>5,962</b>	<b>257,663</b>
Transfers by Absorption	-	-	-	-	-	-	-	-	-
Additions	-	-	-	20,062	1,707	-	1,569	787	24,125
Impairments	-	-	-	(1,137)	-	-	-	-	(1,137)
Reversals of Impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	5,404	-	-	-	-	-	-	5,404
Reclassifications	-	37	-	(8,370)	-	-	583	-	(7,750)
Transfers To / From Assets Held For Sale	-	-	-	-	-	-	-	-	-
Disposals/ De-recognition	-	-	-	-	(2,558)	-	(299)	-	(2,857)
<b>Valuation/Gross Cost at 31 March 2022</b>	<b>4,028</b>	<b>163,605</b>	<b>103</b>	<b>44,018</b>	<b>35,312</b>	<b>-</b>	<b>21,633</b>	<b>6,749</b>	<b>275,448</b>
In 2021/22 the Trust has reclassified some AUC as intangible assets that were previously carried as AUC PPE. This is shown as a positive reclassifications figure within the Intangibles note, with an offsetting negative reclassifications figure within the PPE note.									
<b>Accumulated Depreciation at 1 April 2021 - Brought Forward</b>	<b>-</b>	<b>8,136</b>	<b>9</b>	<b>-</b>	<b>20,622</b>	<b>-</b>	<b>5,862</b>	<b>2,035</b>	<b>36,664</b>
Transfers by Absorption	-	-	-	-	-	-	-	-	-
Provided During the Year	-	2,051	3	-	3,448	-	2,442	571	8,515
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers To / From Assets Held For Sale	-	-	-	-	-	-	-	-	-
Disposals / Derecognition	-	-	-	-	(2,558)	-	(299)	-	(2,857)
<b>Accumulated Depreciation at 31 March 2022</b>	<b>-</b>	<b>10,187</b>	<b>12</b>	<b>-</b>	<b>21,512</b>	<b>-</b>	<b>8,005</b>	<b>2,606</b>	<b>42,322</b>
<b>Net Book Value At 31 March 2022</b>	<b>4,028</b>	<b>153,418</b>	<b>91</b>	<b>44,018</b>	<b>13,800</b>	<b>-</b>	<b>13,628</b>	<b>4,143</b>	<b>233,126</b>
<b>Net Book Value At 1 April 2021</b>	<b>4,028</b>	<b>150,028</b>	<b>94</b>	<b>33,463</b>	<b>15,541</b>	<b>-</b>	<b>13,918</b>	<b>3,927</b>	<b>220,999</b>

## 16.2 Property, Plant and Equipment - 2020/21

	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
<b>Valuation/ Gross Cost at 1 April 2020 - as Previously Stated</b>	<b>4,028</b>	<b>165,240</b>	<b>103</b>	<b>9,158</b>	<b>34,224</b>	<b>-</b>	<b>17,111</b>	<b>4,685</b>	<b>234,549</b>
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
<b>Valuation/Gross Cost at 1 April 2020 - Restated</b>	<b>4,028</b>	<b>165,240</b>	<b>103</b>	<b>9,158</b>	<b>34,224</b>	<b>-</b>	<b>17,111</b>	<b>4,685</b>	<b>234,549</b>
Transfers by Absorption	-	-	-	-	-	-	-	-	-
Additions	-	3,999	-	26,439	2,463	-	3,261	1,277	37,439
Impairments	-	(10,026)	-	(35)	-	-	-	-	(10,061)
Reversals of Impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	251	-	-	-	-	-	-	251
Reclassifications	-	1,995	-	(2,099)	104	-	-	-	-
Transfers To/ From Assets Held For Sale	-	-	-	-	-	-	-	-	-
Disposals/ De-recognition	-	(3,295)	-	-	(628)	-	(592)	-	(4,515)
<b>Valuation/Gross Cost at 31 March 2021</b>	<b>4,028</b>	<b>158,164</b>	<b>103</b>	<b>33,463</b>	<b>36,163</b>	<b>-</b>	<b>19,780</b>	<b>5,962</b>	<b>257,663</b>
<b>Accumulated Depreciation at 1 April 2020 - as Previously Stated</b>	<b>-</b>	<b>9,360</b>	<b>6</b>	<b>-</b>	<b>17,923</b>	<b>-</b>	<b>4,425</b>	<b>1,591</b>	<b>33,305</b>
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation at 1 April 2020 - Restated</b>	<b>-</b>	<b>9,360</b>	<b>6</b>	<b>-</b>	<b>17,923</b>	<b>-</b>	<b>4,425</b>	<b>1,591</b>	<b>33,305</b>
Transfers by Absorption	-	-	-	-	-	-	-	-	-
Provided During the Year	-	2,071	3	-	3,327	-	2,029	444	7,874
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers To/ From Assets Held For Sale	-	-	-	-	-	-	-	-	-
Disposals/ Derecognition	-	(3,295)	-	-	(628)	-	(592)	-	(4,515)
<b>Accumulated Depreciation at 31 March 2021</b>	<b>-</b>	<b>8,136</b>	<b>9</b>	<b>-</b>	<b>20,622</b>	<b>-</b>	<b>5,862</b>	<b>2,035</b>	<b>36,664</b>
<b>Net Book Value At 31 March 2021</b>	<b>4,028</b>	<b>150,028</b>	<b>94</b>	<b>33,463</b>	<b>15,541</b>	<b>-</b>	<b>13,918</b>	<b>3,927</b>	<b>220,999</b>
<b>Net Book Value At 1 April 2020</b>	<b>4,028</b>	<b>155,880</b>	<b>97</b>	<b>9,158</b>	<b>16,301</b>	<b>-</b>	<b>12,686</b>	<b>3,094</b>	<b>201,244</b>

## 16.3 Property, Plant and Equipment Financing - 2021/22

	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
<b>Net Book Value at 31 March 2022</b>									
Owned - Purchased	4,028	11,324	91	44,018	6,364	-	12,855	4,089	<b>82,769</b>
Finance Leased	-	-	-	-	388	-	-	-	<b>388</b>
On-SoFP PFI Contracts and Other Service Concession Arrangements	-	135,415	-	-	-	-	-	-	<b>135,415</b>
Off-SoFP PFI Residual Interests	-	-	-	-	-	-	-	-	-
Owned - Donated/Granted	-	6,679	-	-	7,048	-	773	54	<b>14,554</b>
<b>NBV Total at 31 March 2022</b>	<b>4,028</b>	<b>153,418</b>	<b>91</b>	<b>44,018</b>	<b>13,800</b>	<b>-</b>	<b>13,628</b>	<b>4,143</b>	<b>233,126</b>

## 16.4 Property, Plant and Equipment Financing - 2020/21

	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
<b>Net Book Value at 31 March 2021</b>									
Owned - Purchased	4,028	11,157	94	33,463	6,582	-	12,942	3,866	<b>72,132</b>
Finance Leased	-	-	-	-	556	-	-	-	<b>556</b>
On-SoFP PFI Contracts and Other Service Concession Arrangements	-	132,347	-	-	-	-	-	-	<b>132,347</b>
Off-SoFP PFI Residual Interests	-	-	-	-	-	-	-	-	-
Owned - Donated/Granted	-	6,524	-	-	8,403	-	976	61	<b>15,964</b>
<b>NBV Total at 31 March 2021</b>	<b>4,028</b>	<b>150,028</b>	<b>94</b>	<b>33,463</b>	<b>15,541</b>	<b>-</b>	<b>13,918</b>	<b>3,927</b>	<b>220,999</b>

## 17. Donations of Property, Plant and Equipment

The Trust has purchased medical and IT equipment funded by charity donations. The final charity contribution towards the new Alder Bereavement Centre building was accounted for in 20/21.

## 18. Revaluations of Property, Plant and Equipment

All land and buildings were revalued as at 31 March 2018. The valuation was carried out by an independent valuer, Cushman & Wakefield.

The basis of the valuation was to use the Depreciated Replacement Cost (DRC) approach. The DRC approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design, with the same service potential as the existing asset. The modern equivalent may be smaller than

the existing asset for example, due to technological advances in plant and machinery.

The ultimate objective of the valuation is to place a value upon the asset, and in this the value of the land in providing a modern equivalent facility must be considered. The modern equivalent asset may be located on a new site out of town, or be on a smaller site due to changes in the way services are provided. The site is valued based on the size of the modern equivalent, and not the actual site area occupied currently.

Asset values have been adjusted to reflect the latest BCIS "All in" Tender Price Indices to reflect change in valuation to 31 March 2022.

Cushman & Wakefield undertook a separate 'bringing into use' valuation of the new Alder Bereavement Centre, and the impact of this was reflected in the 2020/21 impairments.

## 19.

### 19.1 Investment Property

	2021/22 £000	2020/21 £000
<b>Carrying Value at 1 April - Brought Forward</b>	-	-
Prior Period Adjustments		
<b>Carrying Value at 1 April - Restated</b>	-	-
Transfers by Absorption	-	-
Acquisitions in Year	-	-
Movement in Fair Value	-	-
Reclassifications to/from PPE	-	-
Transfers to/from Assets Held for Sale	-	-
Disposals	-	-
<b>Carrying value at 31 March</b>	-	-

### 19.2 Investment Property Income and Expenses

	2021/22 £000	2020/21 £000
Direct Operating Expense Arising from Investment Property Which Generated Rental Income in the Period		
Direct Operating Expense Arising from Investment Property Which Did Not Generate Rental Income in the Period		
<b>Total Investment Property Expenses</b>	-	-
Investment Property Income		

## 20. Investments in Associates and Joint Ventures

	2021/22 £000	2020/21 £000
<b>Carrying Value at 1 April - Brought Forward</b>	-	-
Prior Period Adjustments		
<b>Carrying Value at 1 April - Restated</b>	-	-
Transfers by Absorption	-	-
Acquisitions in Year	-	-
Share of Profit / (Loss)	-	-
Net Impairments	-	-
Transfers to/from Assets Held For Sale	-	-
Disbursements/Dividends Received	-	-
Disposals	-	-
Share of Other Comprehensive Income	-	-
Other Equity Movements	-	-
<b>Carrying Value at 31 March</b>	-	-

## 21. Other Investments/Financial Assets (Non-Current)

	2021/22 £000	2020/21 £000
<b>Carrying Value at 1 April - Brought Forward</b>	-	-
Prior Period Adjustments		
<b>Carrying Value at 1 April - Restated</b>	-	-
Transfers by Absorption	-	-
Acquisitions in Year	-	-
Movement in Fair Value Through Income and Expenditure	-	-
Movement in Fair Value Through OCI	-	-
Net Impairments	-	-
Transfers to/from Assets Held For Sale	-	-
Amortisation at the Effective Interest Rate	-	-
Current Portion of Loans Receivable Transferred to Current Financial Assets	-	-
Disposals	-	-
<b>Carrying Value at 31 March</b>	-	-

### 21.1 Other Investments/Financial Assets (Current)

	2021/22 £000	2020/21 £000
Loans Receivable Within 12 Months Transferred From Non-Current Financial Assets	-	-
Deposits With The National Loans Fund	-	-
Other Current Financial Assets	-	-
<b>Total Current Investments/Financial Assets</b>	-	-

## 22. Disclosure of Interests in Other Entities

The Trust has the following wholly owned subsidiaries:

Name/Purpose	% Shareholding
Alder Hey Ventures Limited - Commercialisation and Exploitation of IP	100
Alder Hey Living Hospitals Limited - Development of Software Applications	100

Alder Hey Ventures Limited is not yet trading and therefore not consolidated. The accounts of Alder Hey Living Hospitals Limited have not been consolidated as it is considered to be immaterial.

The Trust has a number of interests in other entities for the commercialisation and exploitation of Intellectual Property (IP). These interests are not accounted for on the grounds of immateriality.

Name	% Shareholding
Hand Hygiene Solutions Ltd	19.95%
Audiology Metrics Ltd	23.60%
Optimising Care Ltd	19.17%
Asthma Buddy Ltd	30.10%
Doctors Hours Ltd	30.10%
Bloom Revalidation Ltd	30.10%
Digital Audiology Technologies Ltd	30.10%
Fresh Wellness Ltd	30.10%
Blood Sense Ltd	30.00%
Physiopal Digital Ltd	30.00%
Acorn Partners Ltd	27.50%
Kids COPD Monitoring Ltd	33.42%
Pik Kit Ltd	40.10%
Kids Medicine Compliance Ltd	40.10%

## 23. Inventories

	31 March 2022 £000	31 March 2021 £000
Drugs	1,515	1,164
Work in Progress	-	-
Consumables	2,175	2,291
Energy	62	62
Other	-	-
<b>Total Inventories</b>	<b>3,752</b>	<b>3,517</b>

### Of Which:

Held at Fair Value Less Costs to Sell	-	-
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Inventories recognised in expenses for the year were £48,007k (2020/21: £41,643k). Write-down of inventories recognised as expenses for the year were £0k (2020/21: £0k).

In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2021/22 the Trust received £439k of items purchased by DHSC (2020/21: £2,716k).

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.



## 24. Receivables

### 24.1 Receivables

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Contract Receivables	18,079	16,084
Contract Assets	-	-
Capital Receivables	-	-
Allowance for Impaired Contract Receivables / Assets	(1,014)	(975)
Allowance for Other Impaired Receivables	(620)	(602)
Deposits and Advances	-	-
Prepayments (Non-PFI)	4,071	2,646
PFI Prepayments - Capital Contributions	-	-
PFI Lifecycle Prepayments	-	-
Interest Receivable	-	-
Finance Lease Receivables	-	-
PDC Dividend Receivable	1,264	1,841
VAT Receivable	963	2,057
Corporation and Other Taxes Receivable	-	-
Other Receivables	481	445
<b>Total Current Receivables</b>	<b>23,224</b>	<b>21,496</b>
<b>Non-Current</b>		
Contract Receivables	1,009	-
Contract Assets	-	-
Capital Receivables	-	-
Allowance for Impaired Contract Receivables / Assets	-	-
Allowance for Other Impaired Receivables	-	-
Deposits and Advances	-	-
Prepayments (Non-PFI)	13	70
PFI Prepayments - Capital Contributions	-	-
PFI Lifecycle Prepayments	-	-
Interest Receivable	-	-
Finance Lease Receivables	-	-
VAT Receivable	-	-
Corporation and Other Taxes Receivable	-	-
Other Receivables	359	424
<b>Total Non-Current Receivables</b>	<b>1,381</b>	<b>494</b>
<b>Of Which Receivables from NHS and DHSC Group Bodies:</b>		
Current	13,459	9,984
Non-Current	359	424

The majority of trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As these bodies are funded by government to buy NHS patient care services, no credit score of them is considered necessary.

## 24.2 Allowances for Credit Losses

	2021/22		2020/21	
	Contract Receivables and Contract Assets £000	All Other Receivables £000	Contract Receivables and Contract Assets £000	All Other Receivables £000
<b>Allowances as at 1 April - Brought Forward</b>	<b>975</b>	<b>602</b>	<b>1,269</b>	<b>172</b>
Prior Period Adjustments			-	-
<b>Allowances as at 1 April - Restated</b>	<b>975</b>	<b>602</b>	<b>1,269</b>	<b>172</b>
Transfers by Absorption	-	-	-	-
New Allowances Arising	784	204	474	705
Changes in Existing Allowances	-	-	-	-
Reversals of Allowances	(709)	(183)	(758)	(259)
Utilisation of Allowances (Write Offs)	(36)	(3)	(10)	(16)
Changes Arising Following Modification of Contractual Cash Flows	-	-	-	-
Foreign Exchange and Other Changes	-	-	-	-
<b>Allowances as at 31 March 2022</b>	<b>1,014</b>	<b>620</b>	<b>975</b>	<b>602</b>

## 24.3 Exposure to Credit Risk

The Trust's Financial risk management is set out in Note 40.1

## 25. Other Assets

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Other Assets	-	-
<b>Total Other Current Assets</b>	<b>-</b>	<b>-</b>
<b>Non-Current</b>		
Net Defined Benefit Pension Scheme Asset	-	-
Other Assets	-	-
<b>Total Other Non-Current Assets</b>	<b>-</b>	<b>-</b>

## 26.1 Non-Current Assets Held for Sale and Assets in Disposal Groups

	2021/22 £000	2020/21 £000
<b>NBV of Non-Current Assets For Sale And Assets In Disposal Groups at 1 April</b>	<b>-</b>	<b>-</b>
Prior Period Adjustment		
<b>NBV of Non-Current Assets For Sale And Assets In Disposal Groups at 1 April - Restated</b>	<b>-</b>	<b>-</b>
Transfers By Absorption	-	-
Assets Classified As Available For Sale in the Year	-	-
Assets Sold In Year	-	-
Impairment of Assets Held for Sale	-	-
Reversal of Impairment of Assets Held for Sale	-	-
Assets no Longer Classified as Held for Sale, for Reasons Other Than Sale	-	-
<b>NBV of Non-Current Assets For Sale And Assets in Disposal Groups at 31 March</b>	<b>-</b>	<b>-</b>

## 26.2 Liabilities in Disposal Groups

	31 March 2022 £000	31 March 2021 £000
<b>Categorised as:</b>		
Provisions	-	-
Trade and other payables	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 27.1 Cash and Cash Equivalents Movements

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

	2021/22 £000	2020/21 £000
<b>At 1 April</b>	<b>92,708</b>	<b>90,030</b>
Prior Period Adjustments	-	-
<b>At 1 April (Restated)</b>	<b>92,708</b>	<b>90,030</b>
Transfers By Absorption	-	-
Net Change In Year	(1,245)	2,678
<b>At 31 March</b>	<b>91,463</b>	<b>92,708</b>
<b>Broken Down Into:</b>		
Cash at Commercial Banks and in Hand	503	346
Cash with the Government Banking Service	90,960	92,362
Deposits with the National Loan Fund	-	-
Other Current Investments	-	-
<b>Total Cash and Cash Equivalents as in SoFP</b>	<b>91,463</b>	<b>92,708</b>
Bank Overdrafts (GBS and Commercial Banks)	-	-
Drawdown in Committed Facility	-	-
<b>Total Cash and Cash Equivalents as in SoCF</b>	<b>91,463</b>	<b>92,708</b>

## 27.2 Third Party Assets Held by The Trust

Alder Hey Children's NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the Trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2022 £000	31 March 2021 £000
Bank Balances	-	-
Monies on Deposit	-	-
<b>Total Third Party Assets</b>	<b>-</b>	<b>-</b>



## 28.1 Trade and Other Payables

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Trade Payables	9,823	5,573
Capital Payables	17,888	18,472
Accruals	37,140	35,405
Receipts in Advance and Payments on Account	-	-
PFI Lifecycle Replacement Received in Advance	-	-
Social Security Costs	-	-
VAT Payables	-	-
Other Taxes Payable	4,619	3,799
PDC Dividend Payable	-	-
Other Payables	7,378	5,781
<b>Total Current Trade and Other Payables</b>	<b>76,848</b>	<b>69,030</b>
<b>Non-Current</b>		
Trade Payables	-	-
Capital Payables	-	-
Accruals	-	-
Receipts in Advance and Payments on Account	-	-
PFI Lifecycle Replacement Received in Advance	-	-
VAT Payables	-	-
Other Taxes Payable	-	-
Other Payables	-	-
<b>Total Non-Current Trade and Other Payables</b>	<b>-</b>	<b>-</b>
<b>Of Which Payables from NHS and DHSC Group Bodies:</b>		
Current	5,344	4,348
Non-current	-	-

## Holiday Pay Accrual

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

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

## 28.2 Early Retirements in NHS Payables Above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2022 £000	31 March 2022 Number	31 March 2021 £000	31 March 2021 Number
- To buy out the liability for early retirements over 5 years	-	-	-	-
- Number of cases involved	-	-	-	-

## 29. Other Liabilities

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Deferred Income: Contract Liabilities	3,195	3,840
Deferred Grants	-	-
Deferred PFI Credits / Income	137	137
Lease Incentives	-	-
Other Deferred Income	-	-
<b>Total Other Current Liabilities</b>	<b>3,332</b>	<b>3,977</b>
<b>Non-Current</b>		
Deferred Income: Contract Liabilities	200	-
Deferred Grants	-	-
Deferred PFI Credits / Income	3,084	3,421
Lease Incentives	-	-
Other Deferred Income	-	-
Net Pension Scheme Liability	-	-
<b>Total Other Non-Current Liabilities</b>	<b>3,284</b>	<b>3,421</b>

## 30.1 Borrowings

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Bank Overdrafts	-	-
Drawdown in Committed Facility	-	-
Loans from DHSC	2,815	2,818
Other Loans	-	-
Obligations Under Finance Leases	168	170
Obligations under PFI, LIFT or Other Service Concession Contracts	2,429	2,440
<b>Total Current Borrowings</b>	<b>5,412</b>	<b>5,428</b>
<b>Non-Current</b>		
Loans from DHSC	38,565	41,324
Other Loans	-	-
Obligations Under Finance Leases	174	346
Obligations under PFI, LIFT or Other Service Concession Contracts	95,420	97,849
<b>Total Non-Current Borrowings</b>	<b>134,159</b>	<b>139,519</b>



## 30.2 Reconciliation of Liabilities Arising from Financing Activities - 2021/22

	Loans from DHSC £000	Other Loans £000	Finance Leases £000	PFI and LIFT Schemes £000	Total £000
<b>Carrying Value at 1 April 2021</b>	<b>44,142</b>	<b>-</b>	<b>516</b>	<b>100,289</b>	<b>144,947</b>
<b>Cash Movements:</b>					
Financing Cash Flows - Payments and Receipts of Principal	(2,759)	-	(174)	(2,440)	<b>(5,373)</b>
Financing Cash Flows - Payments of Interest	(974)	-	(13)	(7,440)	<b>(8,427)</b>
<b>Non-Cash Movements:</b>					
Application of Effective Interest Rate	971	-	13	7,440	<b>8,424</b>
<b>Carrying Value at 31 March 2022</b>	<b>41,380</b>	<b>-</b>	<b>342</b>	<b>97,849</b>	<b>139,571</b>

## 30.3 Reconciliation of Liabilities Arising from Financing Activities - 2020/21

	Loans from DHSC £000	Other Loans £000	Finance Leases £000	PFI and LIFT Schemes £000	Total £000
<b>Carrying Value at 1 April 2020</b>	<b>54,927</b>	<b>-</b>	<b>663</b>	<b>102,394</b>	<b>157,984</b>
Prior Period Adjustment	-	-	-	-	-
<b>Carrying Value at 1 April 2020 - Restated</b>	<b>54,927</b>	<b>-</b>	<b>663</b>	<b>102,394</b>	<b>157,984</b>
<b>Cash Movements:</b>					
Financing Cash Flows - Payments and Receipts of Principal	(10,759)	-	(147)	(2,105)	<b>(13,011)</b>
Financing Cash Flows - Payments of Interest	(1,059)	-	(18)	(7,614)	<b>(8,691)</b>
<b>Non-Cash Movements:</b>					
Application of Effective Interest Rate	1,033	-	18	7,614	<b>8,665</b>
<b>Carrying Value at 31 March 2021</b>	<b>44,142</b>	<b>-</b>	<b>516</b>	<b>100,289</b>	<b>144,947</b>

## 31. Other Financial Liabilities

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Derivatives Held at Fair Value Through Income and Expenditure	-	-
Other Financial Liabilities	-	-
<b>Total Current Other Financial Liabilities</b>	<b>-</b>	<b>-</b>
<b>Non-Current</b>		
Derivatives Held at Fair Value Through Income and Expenditure	-	-
Other Financial Liabilities	-	-
<b>Total Non-Current Other Financial Liabilities</b>	<b>-</b>	<b>-</b>

## 32. Finance Leases

### 32.1 Alder Hey Children's NHS Foundation Trust as a Lessor

Future lease receipts due under finance lease agreements where the Trust is the lessor:

	31 March 2022	31 March 2021
	£000	£000
<b>Gross Lease Liabilities</b>	-	-
Of Which Those Receivable:		
- Not Later Than One Year;	-	-
- Later Than One Year and Not Later Than Five Years;	-	-
- Later Than Five Years.	-	-
Unearned Interest Income	-	-
Allowance For Uncollectable Lease Payments	-	-
<b>Net Lease Liabilities</b>	-	-
Of Which Those Receivable:		
- Not Later Than One Year;	-	-
- Later Than One Year and Not Later Than Five Years;	-	-
- Later Than Five Years.	-	-
The Unguaranteed Residual Value Accruing to the Lessor	-	-
Contingent Rents Recognised as Income in the Period	-	-

### 32.2 Alder Hey Children's NHS Foundation Trust as a Lessee

Obligations under finance leases where the Trust is the lessee.

	31 March 2022	31 March 2021
	£000	£000
<b>Gross Lease Liabilities</b>	<b>354</b>	<b>541</b>
Of Which Liabilities are Due:		
- Not Later Than One Year;	176	184
- Later Than One Year and Not Later Than Five Years;	178	357
- Later Than Five Years.	-	-
Finance Charges Allocated to Future Periods	(12)	(25)
<b>Net Lease Liabilities</b>	<b>342</b>	<b>516</b>
Of Which Payable:		
- Not Later Than One Year;	168	170
- Later Than One Year and Not Later Than Five Years;	174	346
- Later Than Five Years.	-	-
Total Of Future Minimum Sublease Payments to be Received at the Reporting Date	-	-
Contingent Rent Recognised as Expense in the Period	-	-

### 33.1 Provisions for Liabilities and Charges Analysis

	Pensions - Early Departure Costs	Pensions: Injury Benefits	Legal Claims	Legal Claims	Legal Claims	Legal Claims	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2021</b>	<b>238</b>	<b>491</b>	<b>243</b>	-	-	-	<b>1,024</b>	<b>1,996</b>
Transfers by Absorption	-	-	-	-	-	-	-	-
Change in the Discount Rate	(2)	(10)	-	-	-	-	-	(12)
Arising During the Year	7	-	93	-	-	-	11,682	11,782
Utilised During the Year	(53)	(49)	(61)	-	-	-	(65)	(228)
Reclassified to Liabilities Held in Disposal Groups	-	-	-	-	-	-	-	-
Reversed Unused	-	-	(1)	-	-	-	-	(1)
Unwinding of Discount	(2)	(5)	-	-	-	-	-	(7)
<b>At 31 March 2022</b>	<b>188</b>	<b>427</b>	<b>274</b>	-	-	-	<b>12,641</b>	<b>13,530</b>
<b>Expected Timing of Cash Flows:</b>								
- Not Later Than One Year;	38	50	274	-	-	-	5,835	6,197
- Later Than One Year and Not Later Than Five Years;	120	332	-	-	-	-	3,600	4,052
- Later Than Five Years.	30	45	-	-	-	-	3,206	3,281
<b>Total</b>	<b>188</b>	<b>427</b>	<b>274</b>	-	-	-	<b>12,641</b>	<b>13,530</b>

Early departure costs and injury benefits for former employees have been estimated using life expectancy from the Government's actuarial tables.

Legal claims relate to third party and employer liability claims and have been estimated by NHS Resolution. It is expected that these claims will be settled in the next year.

Provision liability arising from the 2019/20 pensions scheme derived from combining information on applications to join the 2019/20 scheme under the policy, together with information in the scheme pays election form where present

The majority of the value in other provisions includes the anticipated costs to deliver on the Trust's legal obligation towards the re-instatement of Springfield Park as part of the land agreement.



## 34. Contingent Assets and Liabilities

	31 March 2022 £000	31 March 2021 £000
<b>Value of Contingent Liabilities</b>		
NHS Resolution legal claims	-	-
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	1,000	1,000
<b>Gross Value of Contingent Liabilities</b>	<b>1,000</b>	<b>1,000</b>
Amounts Recoverable Against Liabilities	-	-
<b>Net Value of Contingent Liabilities</b>	<b>1,000</b>	<b>1,000</b>
<b>Net Value of Contingent Assets</b>	<b>1,000</b>	<b>1,000</b>

The Trust sold 6 acres of land in 2018/19 for £4.4m. The long term debtor outstanding of £1m remains. The Trust has legal charge on this land.

## 35. Contractual Capital Commitments

	31 March 2022 £000	31 March 2021 £000
Property, Plant and Equipment	191	14,715
Intangible Assets	45	-
<b>Total</b>	<b>236</b>	<b>14,715</b>

## 36. Other Financial Commitments

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2022 £000	31 March 2021 £000
Not Later Than One Year;	-	-
After One Year and Not Later Than Five Years;	-	1,393
Paid Thereafter	-	-
<b>Total</b>	<b>-</b>	<b>1,393</b>

## 37. Defined Benefit Pension Schemes

The Trust has no disclosures for defined benefit schemes

## 37.1 Changes in the Defined Benefit Obligation and Fair Value of Plan Assets During the Year

	2021/22	2020/21
	£000	£000
<b>Present Value of the Defined Benefit Obligation at 1 April</b>	-	-
Prior Period Adjustment		
<b>Present Value of the Defined Benefit Obligation at 1 April - Restated</b>	-	-
Transfers by Absorption	-	-
Current Service Cost	-	-
Interest Cost	-	-
Contribution by Plan Participants	-	-
Remeasurement of the Net Defined Benefit (Liability)/Asset:		
- Actuarial (Gains)/Losses	-	-
Benefits Paid	-	-
Past Service Costs	-	-
Business Combinations	-	-
Curtailments and Settlements	-	-
<b>Present Value of the Defined Benefit Obligation at 31 March</b>	-	-
<b>Plan Assets at Fair Value At 1 April</b>	-	-
Prior Period Adjustment		
<b>Plan Assets at Fair Value at 1 April - Restated</b>	-	-
Transfers by Normal Absorption	-	-
Interest Income	-	-
Remeasurement Of The Net Defined Benefit (Liability)/Asset:		
- Return on Plan Assets	-	-
- Actuarial Gain/(Losses)	-	-
- Changes in The Effect Of Limiting a Net Defined Benefit Asset to the Asset Ceiling	-	-
Contributions by the Employer	-	-
Contributions by the Plan Participants	-	-
Benefits Paid	-	-
Business Combinations	-	-
Settlements	-	-
<b>Plan Assets at Fair Value at 31 March</b>	-	-
<b>Plan Surplus/(Deficit) at 31 March</b>	-	-

## 37.2 Reconciliation of the Present Value of the Defined Benefit Obligation and the Present Value of the Plan Assets to the Assets and Liabilities Recognised in the Balance Sheet

	31 March 2022 £000	31 March 2021 £000
Present Value of the Defined Benefit Obligation	-	-
Plan Assets at Fair Value	-	-
<b>Net Defined Benefit (Obligation)/Asset Recognised in the SoFP</b>	<b>-</b>	<b>-</b>
Fair Value of any Reimbursement Right	-	-
<b>Net (Liability)/Asset After the Impact of Reimbursement Rights</b>	<b>-</b>	<b>-</b>

## 37.3 Amounts Recognised in the SoCI

	2021/22 £000	2020/21 £000
Current Service Cost	-	-
Interest Expense/Income	-	-
Past Service Cost	-	-
Gains/(Losses) on Curtailment and Settlement	-	-
<b>Total Net (Charge)/Gain Recognised In SoCI</b>	<b>-</b>	<b>-</b>

## 38. On-SoFP PFI, LIFT or Other Service Concession Arrangements

The PFI scheme relates to the main hospital building on East Prescott Road. The Trust has the right to use the buildings, however Alder Hey (Special Purpose Vehicle) Limited (Acorn Consortium) have responsibility for maintaining the buildings to an agreed standard. All lifecycle replacement is also the responsibility of Alder Hey (Special Purpose Vehicle) Limited. A key feature of the PFI scheme is that the operator is responsible for ensuring that the property is maintained to an agreed standard for the entire life of the contract. These are known as lifecycle costs. The costs which the operator expects to incur in doing this is reflected in the unitary payment. The contract with Alder Hey (Special Purpose Vehicle) Limited expires on 21 June 2045, after which time the Trust will become responsible for the maintenance and lifecycle costs of those buildings.

### 38.1 On-SoFP PFI, LIFT or Other Service Concession Arrangement Obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2022 £000	31 March 2021 £000
<b>Gross PFI, LIFT or Other Service Concession Liabilities</b>	<b>253,041</b>	<b>263,569</b>
<b>Of Which Liabilities are Due</b>		
- Not Later Than One Year	10,612	10,763
- Later Than One Year and Not Later Than Five Years	41,709	42,168
- Later Than Five Years	189,957	200,110
Finance Charges Allocated to Future Periods	(144,429)	(152,752)
<b>Net PFI, LIFT or Other Service Concession Arrangement Obligation</b>	<b>97,849</b>	<b>100,289</b>
- Not Later Than One Year	2,429	2,440
- Later Than One Year and Not Later Than Five Years	10,340	10,181
- Later Than Five Years	85,080	87,668

### 38.2 Total on-SoFP PFI, LIFT and Other Service Concession Arrangement Commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2022 £000	31 March 2021 £000
<b>Total Future Payments Committed in Respect of the PFI, LIFT or Other Service Concession Arrangements</b>	<b>412,550</b>	<b>427,222</b>
<b>Of Which Payments are Due:</b>		
- Not Later Than One Year	14,875	14,672
- Later Than One Year and Not Later Than Five Years	61,587	60,750
- Later Than Five Years	336,088	351,800

### 38.3 Analysis of Amounts Payable to Service Concession Operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2021/22 £000	2020/21 £000
<b>Unitary Payment Payable to Service Concession Operator</b>	<b>14,756</b>	<b>14,386</b>
<b>Consisting of:</b>		
- Interest Charge	7,440	7,614
- Repayment of Balance Sheet Obligation	2,440	2,105
- Service Element and Other Charges to Operating Expenditure	3,368	3,363
- Capital Lifecycle Maintenance	-	-
- Revenue Lifecycle Maintenance	625	496
- Contingent Rent	883	808
- Addition to Lifecycle Prepayment	-	-
- Other amounts paid to Operator Due to a Commitment Under the Service Concession Contract but not part of the Unitary Payment	-	-
<b>Total Amount Paid to Service Concession Operator</b>	<b>14,756</b>	<b>14,386</b>

## 39. Off-SoFP PFI, LIFT and Other Service Concession Arrangements

Alder Hey Children's NHS Foundation Trust incurred the following charges in respect of off-Statement of Financial Position PFI and LIFT arrangements:

	31 March 2022 £000	31 March 2021 £000
<b>Charge in Respect of the Off SoFP PFI, LIFT or Other Service Concession Arrangement for the Period</b>	-	-
<b>Commitments in Respect of off-SoFP PFI, LIFT or Other Service Concession Arrangements:</b>		
- Not Later Than One Year	-	-
- Later Than One Year and Not Later Than Five Years	-	-
- Later Than Five Years	-	-
<b>Total</b>	-	-

## 40. Financial Instruments

### 40.1 Financial Risk Management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with clinical commissioning groups (CCGs) and the way those CCGs are financed, the Trust is not exposed to the degree of financial risk faced by business activities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

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

### Liquidity Risk

Alder Hey Children's NHS Foundation Trust net operating costs are incurred under legally binding contracts with local CCGs. The Trust receives regular monthly payments from CCGs based on an agreed contract value with adjustments made for actual services provided.

The Trust finances its capital expenditure from internally generated funds or Public Dividend Capital made available by the Department of Health and Social Care. The Trust is therefore not exposed to significant liquidity risks.

### Interest Rate Risk

All of the Trust's financial assets carry nil or fixed rates of interest. The Trust is not exposed to significant interest rate risk.

### Foreign Currency Risk

The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has limited business with overseas clients. The Trust therefore has low exposure to currency rate fluctuations.

### Price Risk

The contracts from NHS commissioners in respect of healthcare services have a pre-determined price structure which negates the risk of price fluctuation.

### Credit Risk

The contracts from NHS commissioners in respect of healthcare services are agreed annually and take into account the commissioners' ability to pay and hence credit risk is minimal.

## 40.2 Carrying Values of Financial Assets

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Held at Fair Value Through OCI £000	Total Book Value £000
<b>Carrying Values of Financial Assets as at 31 March 2022</b>				
Trade and Other Receivables Excluding Non Financial Assets	17,934	-	-	<b>17,934</b>
Other Investments/Financial Assets	-	-	-	-
Cash and Cash Equivalents	91,463	-	-	<b>91,463</b>
<b>Total at 31 March 2022</b>	<b>109,397</b>	-	-	<b>109,397</b>

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Held at Fair Value Through OCI £000	Total Book Value £000
<b>Carrying Values of Financial Assets as at 31 March 2021</b>				
Trade and Other Receivables Excluding Non Financial Assets	14,951	-	-	<b>14,951</b>
Other Investments/Financial Assets	-	-	-	-
Cash and Cash Equivalents	92,708	-	-	<b>92,708</b>
<b>Total at 31 March 2021</b>	<b>107,659</b>	-	-	<b>107,659</b>

## 40.3 Carrying Values of Financial Liabilities

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Total Book Value £000
<b>Carrying Values of Financial Liabilities as at 31 March 2022</b>			
Loans from the Department of Health and Social Care	41,380	-	<b>41,380</b>
Obligations Under Finance Leases	342	-	<b>342</b>
Obligations Under PFI, LIFT and Other Service Concession Contracts	97,849	-	<b>97,849</b>
Other Borrowings	-	-	-
Trade and Other Payables Excluding Non Financial Liabilities	72,229	-	<b>72,229</b>
Other Financial Liabilities	-	-	-
Provisions Under Contract	-	-	-
<b>Total at 31 March 2022</b>	<b>211,800 -</b>	-	<b>211,800</b>

## 40.3 Carrying Values of Financial Liabilities (cont'd)

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Total Book Value £000
<b>Carrying Values of Financial Liabilities as at 31 March 2021</b>			
Loans from the Department of Health and Social Care	44,142	-	<b>44,142</b>
Obligations Under Finance Leases	516	-	<b>516</b>
Obligations Under PFI, LIFT and Other Service Concession Contracts	100,289	-	<b>100,289</b>
Other Borrowings	-	-	-
Trade and Other Payables Excluding Non Financial Liabilities	65,231	-	<b>65,231</b>
Other Financial Liabilities	-	-	-
Provisions Under Contract	-	-	-
<b>Total at 31 March 2021</b>	<b>210,178 -</b>		<b>210,178</b>

## 40.4 Maturity of Financial Liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2022 £000	31 March 2021 £000
In One Year or Less	86,687	80,507
In More Than Two Year But Not More Than Five Years	55,286	56,620
In More Than Five Years	222,237	235,364
<b>Total</b>	<b>364,210</b>	<b>372,491</b>

## 40.5 Fair Values of Financial Assets and Liabilities

It is considered that the book value (carrying value) is a reasonable approximation of fair value.

## 41. Losses and Special Payments

	2021/22		2020/21	
	Total Number of Cases	Total Value of Cases	Total Number of Cases	Total Value of Cases
	Number	£000	Number	£000
<b>Losses</b>				
Cash Losses	5	3	9	16
Fruitless Payments and Constructive Losses	-	-	-	-
Bad Debts and Claims Abandoned	12	36	18	9
Stores Losses and Damage to Property	-	-	-	-
<b>Total Losses</b>	<b>17</b>	<b>39</b>	<b>27</b>	<b>25</b>
<b>Special Payments</b>				
Compensation Under Court Order or Legally Binding Arbitration Award	5	3	-	-
Extra-Contractual Payments	-	-	-	-
Ex-Gratia Payments	12	36	27	77
Special Severance Payments	-	-	-	-
Extra-Statutory and Extra-Regulatory Payments	17	39	-	-
<b>Total Special Payments</b>	<b>27</b>	<b>77</b>	<b>27</b>	<b>77</b>
<b>Total Losses and Special Payments</b>	<b>54</b>	<b>102</b>	<b>54</b>	<b>102</b>
Compensation Payments Received		-		-

## 42. Gifts

	2021/22		2020/21	
	Total Number of Cases	Total Value of Cases	Total Number of Cases	Total Value of Cases
	Number	£000	Number	£000
Gifts Made	-	-	-	-

## 43. Related Parties

Alder Hey Children's NHS Foundation Trust is a public interest body authorised by NHS Improvement. During the period, none of the Trust board members or members of the key management staff, or parties related to any of them, has undertaken any transactions with Alder Hey Children's NHS Foundation Trust. The Department of Health and Social Care is regarded as a related party. During the period the Trust has had a significant number of transactions with the Department, and with other entities for which the Department is regarded as the parent Department. The transactions relate mainly to the provision of healthcare services and purchase of services in the ordinary course of business.

Paragraph 25 of IAS 24 allows entities which are related parties because they are under the same government control to reduce the volume of the detailed disclosures.

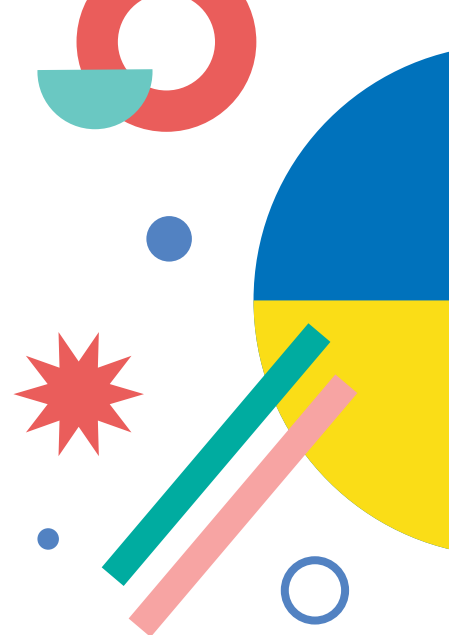
During the year the Trust had significant transactions with the following NHS bodies which are related by government oversight only – the Trust does not have any control over these entities: NHS England North West Specialist Commissioning Hub, NHS Liverpool CCG, NHS South Sefton CCG, NHS Knowsley CCG, NHS Southport and Formby CCG, NHS England and Health Education England. The Trust also had significant transactions with the following other government departments: Welsh Health Specialised Services Committee, HM Revenue & Customs, NHS Professionals and NHS Pension Scheme.

Expenditure with Liverpool Health Partners Ltd was £260,000 (2020/21: £255,000).

Transactions with related parties are on an arm's length basis.



# Independent Auditor's Report to the Council of Governors of Alder Hey Children's NHS Foundation Trust



## Opinion

We have audited the financial statements of Alder Hey Children's NHS Foundation Trust for the year ended 31 March 2022 which comprise the Trust's Statement of Comprehensive Income, the Trust's Statement of Financial Position, the Trust's Statement of Changes in Taxpayers' Equity, the Trust's Statement of Cash Flows, and the related notes 1 to 43, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards as interpreted and adapted by the 2021/22 HM Treasury's Financial Reporting Manual (the 2021/22 FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.

In our opinion the financial statements:

- Give a true and fair view of the financial position of Alder Hey Children's NHS Foundation Trust as at 31 March 2022 and of its income and expenditure for the year then ended;
- Have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2021 to 2022; and
- Have been properly prepared in accordance with the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the

financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions Relating to Going Concern

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

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

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Foundation Trust's ability to continue as a going concern.

## Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Accounting Officer is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on Other Matters Prescribed by the Code of Audit Practice

In our opinion:

- The information given in the performance report and accountability report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The parts of the Remuneration and Staff report identified as subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2021/22.

## Matters on Which we are Required to Report by Exception

The Code of Audit Practice requires us to report to you if:

- We issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;
- We refer the matter to the regulator under schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency;
- We are not satisfied that the Foundation Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
- We have been unable to satisfy ourselves that the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2021/22

and is not misleading or inconsistent with other information forthcoming from the audit; or

- We have been unable to satisfy ourselves that proper practices have been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

## Responsibilities of the Accounting Officer

As explained more fully in the Statement of the chief executive's responsibilities set out on page 117 the chief executive is the Accounting Officer of Alder Hey Children's NHS Foundation Trust. The Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Accounting Officer is responsible for assessing the Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Governors intend to cease operations, or have no realistic alternative but to do so.

As explained in the statement of the Statement of the chief executive responsibilities, as the Accounting Officer of the Alder Hey Children's NHS Foundation Trust, the Accounting Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Foundation Trust's resources.

## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Explanation as to What Extent the Audit was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Foundation Trust and determined that the most significant are the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), as well as relevant employment laws of the United Kingdom. In addition, the Foundation Trust has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection and health & safety.
- We understood how Alder Hey Children's NHS Foundation Trust is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit and those charged with governance and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our review of the Foundation Trust's board minutes, through enquiry of employees to verify Foundation Trust policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance

with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

- We assessed the susceptibility of the Foundation Trust's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue), inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.
- To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we reviewed the Foundation Trust's manual year end income accruals, challenging assumptions and corroborating the income to appropriate evidence.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Foundation Trust's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- To address our fraud risk of management override of controls, we implemented a journal entry testing strategy, assessed accounting estimates for evidence of management bias and evaluated the business rationale for significant unusual transactions. This included testing specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



“  
To address our fraud risk of management override of controls, we implemented a journal entry testing strategy”

## Scope of the Review of Arrangements for Securing Economy, Efficiency and Effectiveness in the Use of Resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021, as to whether the Foundation Trust had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Foundation Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under schedule 10(1)(d) of the National Health Service Act 2006 to be satisfied that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Under the Code of Audit Practice, we are required to report to you if the Foundation Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

## Certificate

### Delay in Certification of Completion of the Audit

We cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2022. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

### Use of our Report

This report is made solely to the Council of Governors of Alder Hey Children's NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.

*Hassan Rohimun*

**HASSAN ROHIMUN**

For and on behalf of Ernst & Young LLP

Manchester

22 June 2022

## Issue of Audit Opinion on the Financial Statements

In our audit report for the year ended 31 March 2022 issued on 22 June 2022 we reported that, in our opinion, the financial statements:

- Gave a true and fair view of the financial position of Alder Hey Children's NHS Foundation Trust as at 31 March 2022 and of its income and expenditure for the year then ended; and
- Had been prepared properly in accordance with the Department for Health and Social Care's Group Accounting Manual 2020/21 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

## Certificate

In our report dated 22 June 2022, we explained that we could not formally conclude the audit on that date until we had completed our procedures on the Foundation Trust's value for money arrangements for the year ended 31 March 2022. We have now completed our procedures and no matters have come to our attention that would have resulted in a different opinion on the financial statements or additional exception reporting on significant weaknesses in the Foundation Trust's value for money arrangements.

We certify that we have completed the audit of the accounts of Alder Hey Children's NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

*Hassan Rohimun*

**HASSAN ROHIMUN**

For and on behalf of Ernst & Young LLP

Manchester

01 July 2022



## Accessing Mental Health Support

Over the last year we have seen an increase in the number of children and young people who have experienced mental health issues. In May 2022, we launched a new online platform to help children, young people, parents and professionals to make referrals into partnership mental health services in Liverpool and Sefton.

If you are from Sefton you can access the platform here:  
[www.seftonliverpoolcamhs.com](http://www.seftonliverpoolcamhs.com)

If you are from Liverpool you can access the platform here:  
[www.liverpoolCAMHS.com/under-18/](http://www.liverpoolCAMHS.com/under-18/)



Our CAMHS Crisis Team are mental health practitioners who can offer advice and support about how to cope in a crisis, help a young person or carer make plans to keep a young person safe and offer ongoing support as and when required.

Phone  
**0151 293 3577** and  
**08081 963 550**

or Email  
[CrisisCare@alderhey.nhs.uk](mailto:CrisisCare@alderhey.nhs.uk)



## Reducing Pressures

Clinicians at Alder Hey have developed a new 'Symptom Checker' to help parents and carers understand their poorly child's symptoms and what they can do for them. Using the Symptom Checker will help parents and carers decide where best to get the right care for their child, be it at home, at their local chemist, walk-in centre or GP, or with a trip to Alder Hey's Emergency Department.

Dr Bimal Mehta, said:

“It's very worrying when your child is poorly, especially now when it can be difficult to get to speak to a healthcare professional about your worries. Every parent and carer wants to do what's best, and quickly. Our new Symptom Checker will help them do that. It's easy to use, just select one of the symptoms and follow the advice – advice that can be trusted because it has been developed using information from the NHS and Royal College of Paediatrics and Child Health as well as the expertise of the clinicians from Alder Hey.”





**If you would like any more information about any of the details in this Report, please contact:**



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