

Exceptional staff



Inspired by children



Outstanding care



United we thrive

Building a healthier, stronger future



# Annual Report & Accounts 2022/23



Alder Hey Children's  
NHS Foundation Trust

# Annual Report & Accounts 2022/23

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



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# A Message from our Chair and CEO

Welcome to  
Alder Hey's  
Annual Report  
for 2022/23.

The year seemed to pass by in a whirlwind of renewed activity, with a focus on safely emerging from the strictures of the pandemic to collectively regaining a feeling of normality.

We gradually opened up our face-to-face services whilst continuing to offer remote consultations to maximise the technological gains made through necessity. From these difficult circumstances ground-breaking innovations were born, including the 'Alder Hey @nywhere' App that will enable multiple opportunities for children and young people to access services and the 'Little Hearts at Home' platform which provides real time monitoring of some of our most complex cardiac patients post discharge. We are committed to sharing these products widely with our colleagues and partners in paediatric care.

Our dedicated clinical teams worked tirelessly to meet the challenge of recovering services to exceed former levels, in order to deal with the backlog of children and young people waiting for treatment. Demand for our services has risen significantly and we are actively finding ways to meet our commitments to everyone who needs us. Last winter we saw unprecedented numbers of patients in our Emergency Department and in response we created a separate Urgent Treatment Centre which is successfully looking after cohorts of our patients with more minor problems; we also rolled out our online symptom checker which has helped thousands of worried parents to understand better where they need to seek care for their children.

We have written extensively in our last two reports to you about our concerns for the mental health and wellbeing of children and young people, which has been impacted so heavily by the pandemic. Our commitment to invest in services and provide that vital support has continued. Not long ago we finally opened our newly built tier 4

CAMHS inpatient unit, Sunflower House.

This state-of-the-art facility, together with the neighbouring Catkin Centre almost completes our campus vision, by enabling us to continue the restoration of Springfield Park and providing a crucial hub of support for our children and young people with mental health and neurodevelopmental needs.

'Stronger together' has again been a significant theme for us during the year as we have grown and cemented partnerships of all kinds, within our own integrated care system and beyond. Not least of these has been the Liverpool Neonatal Partnership with our colleagues at Liverpool Women's Hospital and this year will see us start work on our new Surgical Neonatal Unit here at Alder Hey, designed to give such a special group of patients the very best chance to thrive.

Our award winning Staff Advice and Liaison Service (SALS) has continued as an essential support and resource for our incredible staff who have worked relentlessly to deliver all of these developments and more besides. They have reshaped services repeatedly, whilst never losing focus on their mission to do everything as safely and compassionately as possible. As we move into a new year with a new strategy, we are confident as a Board that we have the best people to help make a reality of our vision and ambition for a healthier, happier, fairer future for children and young people.

Once again, we close by expressing our huge and endless pride in the whole Alder Hey family; regardless of the challenges that arise, our amazing staff never cease to accomplish exceptional things to ensure that children, young people and families are given the best possible care. We dedicate this report to all of them and commend it to you.

*Jo Williams*

**DAME JO WILLIAMS**  
DBE, DL  
Chair



*Louise Shepherd*

**LOUISE SHEPHERD**  
CBE  
Chief Executive

Frankie was diagnosed with gastroschisis before birth, a condition which meant he was born with his bowels on the outside of his stomach. This required an immediate operation after he was born. As gastroschisis is a rare condition which affects only 1 in 3,000 babies, these operations can only be done in a specialised children's hospital with full paediatric surgical facilities. Frankie was transferred to Alder Hey for the operation while his mum Jessica remained in her local maternity hospital.

Frankie has now recovered and has been discharged from Alder Hey. Having been told that he wouldn't feed for a long time following the operation, he exceeded expectations and soon began feeding on small bottles.

Alder Hey has begun building a new NICU equipped with parent beds, which will allow parents to stay with their new born babies and avoid long periods of separation.



## Frankie's Story

“

I couldn't be prouder of my son and I couldn't be more grateful for every single staff member at Alder Hey. Frankie is now feeding on small bottles but to be told that he wouldn't feed for a long time, it's amazing to see how far he has come. We have had a few setbacks, but we always keep a positive mind.

The new NICU unit would have definitely benefitted us. It would allow you to get to know staff members and start to form a little bond with them, the doctors, nurses, and other staff. When your baby is away from you, you want to be able to go somewhere where you can see them. You want to feel safe and familiarised instead of going to a new place and being worried about your child, whilst also not knowing the people there.

”

Frankie's mum Jessica said:

# Performance Report



## Overview

This 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. During 22/23 the Trust also provided inpatient care for children with complex mental health needs at our Alder Park building in the nearby borough of Sefton; we moved these children into our brand new inpatient unit (Sunflower House) in May 2023.

The Trust employs a workforce of 4,236 staff who work across our community and hospital sites. As a teaching and training hospital, we provide education and training to around 930 medical, physician associates and dental students and over 950 nursing and allied health professional students each year.

We have been authorised as an NHS Foundation Trust since August 2008 and have an active Council of Governors representing patients, parents, carers, staff, the general public and our 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 'Alder Hey Youth Forum') which helps develop new ideas for how children and young people can be at the centre of the Trust's plans and activities. This enables us to keep children and young people's voices at the forefront, including continuing to play a key role in the recruitment of key Board level posts.

Alder Hey's service profile means that it is an anchor institution for children and young people's healthcare, research and innovation. We continue to be a top performing Trust, registered with the Care Quality Commission (CQC) without conditions; throughout the year we continued to provide excellent access to children's cancer services, with timely diagnosis and treatment of our patients in line with all national waiting time standards.

For the year 2022/23 our operating turnover is £391m of which £351m directly relates to the clinical services we provide; 38% of our clinical income is non-specialised and 62% 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 'Place' hosting the £96.4m contract on behalf of nine associate Places in Cheshire and Merseyside. In addition to this we also have a contract with a value of £23.1m with commissioners in Wales. In developing its operational and financial plans, the Trust has continued to exercise its functions in accordance with the Cheshire and Merseyside ICS joint forward plan and joint capital resource plan as part of collaborative arrangements with all partners.

Alder Hey is one of the world's leading specialist children's hospitals, with a commitment to game-changing research and innovation rooted in outstanding clinical services. The Clinical Research Division is an established UK leader in paediatric research which facilitates the delivery of a current portfolio of more than 170 studies. Based in our purpose-built Institute in the Park, the Division employs over 50 delivery and governance staff and works closely with the Trust's approximately 100 principal investigators to provide our region's children and young people with access to a sustainable portfolio of cutting-edge research. They ensure an inclusive culture, which nurtures the current and next generation of researchers from all our health and care professions to work with lay representatives and develop and deliver ground-breaking research which provides solutions to the every-day, real-world problems of children and young people.

Alder Hey continues to deliver research at volume and to the highest standards of safety and quality. A key measure of research performance is the number of participants recruited to studies. Alder Hey's position amongst NHS research-active organisations in the North West improved from 2nd in 2021/22 to 1st in 2022/23.

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 is located in the grounds of the Hospital and 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 and into the recovery period, during which time they worked tirelessly alongside us to support our patients, families and staff.

## 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.





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

- Research Management
- Research Delivery
- Commercial Partnerships
- Clinical Research Facility
- Paediatric Medicines Research Unit
- Starting Well Programme
- Neuroscience and Mental Health Programme

## Surgery

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

## 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 Team
- SEND Team
- Complex Discharge Team
- Transition Service
- Safeguarding Services
- Rainbow Centre
- Specialist Child and Adolescent Mental Health Services - Eating Disorders, Tier 4 Children's Inpatient Unit, Crisis Care (including Home Treatment Team), Specialist Community Mental Health Services (locality based), Mental Health in Schools Teams, Intensive Support Team
- Outpatients
- Booking and Scheduling
- Phlebotomy





## Our Vision and our Strategy

2022/23 has been a transition year for the Trust Strategy.

The Alder Hey Board has continued to work towards its clear, long term strategic ambitions originally set out in 2011 and endorsed by the Board and Council of Governors through the development of Our Plan to 2024. The aftermath of the COVID-19 pandemic meant that the Board continued take a flexible approach to setting its strategic priorities during 2022/23.

“Our Plan” - our Strategic Plan to 2024 – remained the principal vehicle to take us towards our pre-existing Vision of ‘a healthier future for children and young people, as a recognised world leader in research and innovation’. The Trust’s values continue to underpin all that we do and how we do it throughout the most challenging ongoing period in NHS history.

Throughout the last year, work has run in parallel to design our new Strategy 2030. Trust Board and Council of Governors have been fully engaged in the development process and the proposed vision, goals and strategic objectives are currently under wider engagement with staff, children, young people and families, as well as key partners and stakeholders.

Our 2030 vision is:

“ A healthier, happier and fairer future where every child and young person achieves their potential ”

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, financial and social economy and we recognise our emergent role in preventing ill health as well as treating it. We therefore have a duty to operate in a way that has a positive impact on the society around us.

## 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	●



For Alder Hey we will focus on six key areas: our use of buildings and the spaces we occupy; increasing access to high quality employment opportunities for our communities that reflect the diversity of our community; procuring goods and service locally wherever possible; 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 play our part in Cheshire and Merseyside as an “Anchor Institution”, working alongside others to improve the lives of all in the communities around us significantly and positively.



# Delivering on our Strategic Aims and our Operational Plan: Highlights from 2022/23

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

## Delivery of Outstanding Care

Alder Hey is committed to being a safe place for children and young people to receive healthcare. This year we created a Patient Safety Board to deliver the Trust's Patient Safety Strategy. This brings together all of our safety workstreams and has demonstrated data driven quality improvements across those areas.



All services now offer Patient Initiated Follow Up (PIFU) and we have supported over 4,700 patients to manage their follow-up through patient-initiated follow-up pathways.

Alder Hey has continued to see a rise in non-elective demand through our Emergency Department. This year the Team has opened an urgent care facility to help those children and young people with primary care needs to be seen on a same day appointment basis, reducing long waits within the main Emergency Department.

This year Alder Hey launched the Virtual Ward to augment our community care offer. The virtual ward allows children and young people to be discharged earlier from hospital and can support up to 30 young people at home with regular monitoring and input from the Children's Community Nursing Team. This is in addition to the outpatient antibiotic administration (OPAT) and the care of complex children and young people at home.

Recovery of services following on from the pandemic has continued in the last year. The Trust has achieved the national target of no children waiting 78 weeks for surgery and has supported access to care for children across the North West.

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.

## Other achievements...

Other achievements that have had a positive impact on our children and young people this year include:

- Month on month reduction in our CLABSI rate per 1000 line days.
- 25% reduction in medication errors.
- No Grade 3 or 4 pressure ulcers and a reduction in device related pressure ulcers in critical care.



## The Best People Doing Their Best Work

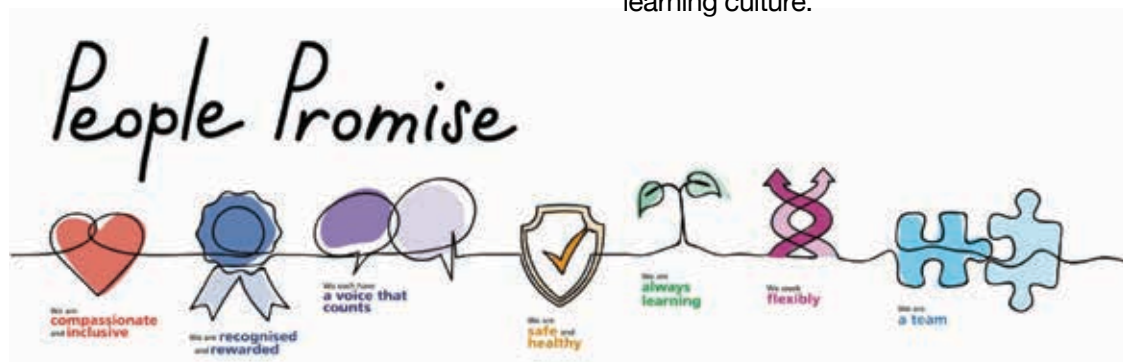
- Our commitment to staff wellbeing and to the development of a compassionate and inclusive culture continued throughout 2022/23; SALS remained a vital pillar of the offer and is accessible to all colleagues and we also launched 'SALS PALS' (a peer support model to support teams locally).
- The Trust continued with its Strong Foundations Leadership Programme and supported the successful delivery of online schwarz rounds, a place where all staff (clinical and non-clinical) come together regularly to discuss the emotional and social aspects of working in healthcare. Rounds can help staff feel more supported in their jobs, allowing them the time and space to reflect on their roles. Evidence shows that staff who attend rounds feel less stressed and isolated, with increased insight and appreciation for each other's roles. They also help to reduce hierarchies between staff and to focus attention on relational aspects of care.
- Our 2022 Staff Survey results, in which 54% 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 (67%). 86% recommended Alder Hey as a place for friends and family to receive care, the highest score amongst our national peer group.
- The Trust continued to develop its digital capability in its workforce systems; successful implementation of e-roster across the clinical teams generated improvements with pay accuracy and rota management; and the implementation of a new recruitment system Trac reduced the Time to Hire metric by 37 days.

- Continuing to embrace the endeavours of our Black, Asian and Minority Ethnic (BAME)



Taskforce and to build on the achievements of the Equality Diversity & Inclusion (EDI) agenda, the Trust has relaunched the Equality, Diversity and Inclusion Steering Group (EDISG) reporting directly to Trust Board. The purpose of the EDISG is to oversee the Trust's strategic ambitions and specific equality, diversity and inclusion goals and to ensure that EDI is at the heart of the Trust's policies and practices as an employer, healthcare provider and procurer of services, supporting the development of a diverse and inclusive culture at Alder Hey. The Steering Group has also enabled the relaunch of three staff networks, which will be integral to the success of the Trust's ED&I agenda. It is anticipated that further staff networks will evolve from the strong foundation of the following staff networks relaunched in 2022/23:

- The Race, Equality and Cultural Heritage Network (REACH), previously known as the Black, Asian and Minority Ethnic (BAME) Network
- The LGBTQI+ Network
- The Disability and Long-Term Conditions Network
- During the pandemic the Trust embraced digital means of working remotely and working differently. The Trust has embedded these new working practices and in 2022/23 continued to build upon these opportunities, further enhancing the different ways of working to support a greater degree of flexible working.
- We continued through 2022/23 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 team of champions. The Freedom to Speak Up Guardian continues to work in partnership with the Human Resources and SALS teams to embed a safe and just learning culture.



## 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 to 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 as well as exploring new international partnerships which focus on learning and supporting professional development.
- During 2022/23 Alder Hey successfully embedded the 'Beyond' Children and Young People's (CYP) Transformation Programme on behalf of the Cheshire and Merseyside Integrated Care System (ICS); its first full year of programme delivery. This is a large-scale programme of delivery against the NHS Long Term Plan for children and young people and is focused on priority themes (Learning Disability and Autism, Childhood Obesity, Mental Health and Wellbeing, Respiratory Disease) and the broader 'Starting Well' population cohort. The 'Beyond' CYP Transformation Programme is aimed at addressing health inequalities and in 2022/23 was selected as one of three ICS sites nationally to co-design a new Health Equity Framework for children and young people in partnership with Barnardo's and the Institute for Health Equity. Beyond drives collaborative improvements via evidence-based interventions and has already reached nearly 10,000 children, young people and professionals through a range of interventions, with a further 30,000 by the end of its 2022/23 funded programmes.
- 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 works in partnership with Liverpool City Council's Public Health Team, jointly leading the 'One Liverpool' plan's healthy children and families cohort and working in wider partnership with City Council services, NHS trusts and voluntary and community sector organisations to drive systematic improvement in outcomes for children, young people 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 2022/23 the Liverpool Neonatal Partnership (LNP) continued to grow; this is led jointly by 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 2021/22 has enhanced the delivery of mental healthcare to young people including mental health support to schools; 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. Partnership working with third sector colleagues has enhanced post diagnostic support to children and young people with neurodevelopmental needs. This also includes the development of peer support workers in 2023/24.
- Alder Hey is an integral member of the Cheshire and Merseyside Mental Health Programme Board and associated groups. The Trust continues to lead the Crisis Care Programme for children and young people 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, contributing to the development of the recently refreshed Digital Strategy and participating in regional groups relating to Cyber, Data and Analytics. The Trust also proactively supports the North West Informatics Skills Development Network which helps support the professional and personal development of informatics staff and services across the region. Finally, Alder Hey is regarded as a digitally mature organisation across the ICS, nationally and globally and as such plays a leadership and support role working in collaboration with others.

# Game-Changing Research and Innovation

## Research

Alder Hey's research programmes and priorities are key drivers of research activity:

- **Starting Well Programme**  
Promoting a healthy lifestyle, mitigating and preventing adversity, promoting positive mental health and tackling chronic inflammatory and infection-related disorders are part of the mission to better the lives of women, children and young people across the region and beyond.
- **Neuroscience and Mental Health Programme**  
Translating neuroscience discoveries into better brain health and wellbeing for people in Cheshire and Merseyside.
- **NIHR Clinical Research Facility (CRF)**  
Alder Hey's CRF is established internationally as a leading facility for experimental medicine and early phase research for children and young people, delivering tailored, high-quality, complex/high intensity paediatric research in areas of unmet clinical need.
- **Paediatric Medicines Research Unit (PMRU)**  
Working to improve the health of babies, children and young people through research into safer medicines management and age-appropriate formulations.
- **Commercial Research**  
Commercial research provides access to novel compounds, new practices and procedures, and enables income generation for Alder Hey and wealth generation for the UK economy.

## Key highlights for 2022/23 include:

- The Clinical Research Facility (CRF) maintained its Gold Standard from the Trust internal ward accreditation scheme in January 2023 (awarded Gold in October 2021). The inspection takes place in the CRF as the clinical area for the Department and assessments monitor compliance from all clinical staff that work with patients in this area.
- Alder Hey Children's Charity made a significant financial investment to support further development of the next generation of researchers and support to help them identify and act upon new opportunities.
- Alder Hey joined the Paediatric Excellence Initiative, a partnership between the National Institute for Health and Care Research Great Ormond Street Biomedical Research Centre, Birmingham Women's and Children's Hospital and Sheffield Children's Hospital. This has provided £0.5m funding for researchers at Alder Hey.

## Key studies included:

- **SAPHE Study:** The 'SAPHE Pathway' Study: identifying and prioritising risk mitigation strategies for children and young people (CYP) admitted with mental health crisis to acute paediatric NHS care. This is first in a pipeline of studies exploring how we can improve the immediate care of children admitted to acute wards post mental health crisis.
- **Zogenix Study:** This study involved testing the effects and benefits of a treatment called fenfluramine hydrochloride for reducing the symptoms of Dravet's syndrome and regular seizures. The study has now closed after a successful trial and the drug has now been licensed for use. After just one year of being on trial, one of our participants reports that he had had no further seizures and that his quality of life has been vastly improved.
- **Asymptomatic:** Alder Hey led a study recruiting patients in primary care settings. The aim of the ASYMPTOMATIC trial is to find the best way for children and young people with Asthma to use their inhaled corticosteroids (preventer inhaler). At the moment, children and young people in the UK are advised to take their corticosteroid inhaler every day. Although this approach appears to help prevent Asthma attacks, it may not be needed in all children with mild Asthma.
- **Pfizer GT:** This is the first Alder Hey gene therapy study for boys with Duchenne Muscular Dystrophy. This study is designed to assess the safety and efficacy of PF-06939926 gene therapy in ambulatory male participants, ages  $\geq 4$  to  $< 8$  years at screening, with a prior genetic diagnosis of Duchenne Muscular Dystrophy (DMD) who are on a stable daily regimen of glucocorticoids.

## Innovation

Last year saw the development of Alder Hey's 2030 Innovation Strategy 'Today's Child Tomorrow's Healthier Adult' which was approved by the Trust Board in May 2022. The focus for 2022/23 has been operationalising that Strategy with a supporting implementation plan and key performance indicators approved in August 2022. Our mission is clear: to improve the health outcomes of children today, so that they can become the healthier adults of tomorrow.

This year has seen several innovative solutions being deployed into everyday use and deploying them in to care for the benefit of our children and young people. One of our priorities is on improving the safety and quality of care provided to children at Alder Hey and we have been doing so by developing, identifying, and implementing cutting-edge health technologies in tech devices, digital platforms, artificial intelligence, immersive technology and user experience. Innovation is pioneering innovative solutions creating new models of care whilst tackling inequalities and optimising healthcare delivery.

## Partnerships

Co-creating with industry and academic partners is an integral way of working in innovation and this year we have continued to develop our partner ecosystem working with large and small companies, NHS partners and our HEIs. Some of those projects include:

- Alder Hey @nywhere which is a hybrid platform that will support new virtual models of care and improve patient experience. The prototype has been developed with Microsoft and Mindwave and was announced and promoted in the press across 18 countries and included in over 200 articles projecting the Alder Hey brand internationally. The @nywhere platform will move into Trust deployment in Quarter 1 2023/24, starting with the patient portal and features that support Alder Hey's outpatient transformation.
- Our drive to tackle healthcare inequality through advocacy and community empowerment led to the Founding of the Lab to Life Centre (L2L). L2L includes relationships with Professor Sir Michael Marmot, the Department of Health Equity, Imperial College London and thought leadership for Royal College of Paediatrics and Child Health (RCPC).
- We have continued the product deployment and spread to children and young people of the 'Was Not Brought (WNB)' AI to children's hospitals through the Children's Hospital Alliance. This partnership has enabled a range of interventions to be evaluated and best practice shared across the trusts, resulting in an average 25-50% drop in WNB rates across trusts and ensuring more children are receiving the care they need.

## Project Highlights

Below are a few of the innovation projects that have advanced and are deployed to care within Alder Hey this year.

### Little Hearts at Home (LHAH) - Digital Platforms Work Stream

Alder Hey Innovation is committed to improving patient safety and quality of care across the Congenital Heart Network. Working closely with our community nursing teams, we have developed a new digital platform that has now moved into everyday practice with 189 community nurses trained on LHAH across 29 areas in the North West.



This innovative platform allows community nurses to record patient observations in the comfort of their own home in real-time, triggering alert emails to Alder Hey clinicians if patients breach red flag indicators. In addition, we have created a dashboard that displays patient information, enabling us to track improvements and deteriorations over time.

The benefits of this new technology are clear. By engaging our families after complex surgeries and providing real-time data, our clinicians at Alder Hey are able to closely monitor these very complex and specialised patients with a traffic light system. This in turn leads to improved patient-centred care and experience, with the aim to reduce emergent situations and hospital readmissions.

At Alder Hey Innovation, we are proud to be at the forefront of this exciting new development in patient safety and care. We

remain committed to working closely with our community nursing teams and other partners across the Congenital Heart Network to develop and implement innovative solutions that improve the lives of our patients and their families.





## Robotic Process Automation - Artificial Intelligence (AI) Workstream

We recognise the importance of leveraging the latest technological advancements to improve efficiency and streamline our operations. To this end, our AI HQ Team has recently expanded to become one of four national centres of excellence for robotic process automation (RPA).

Through this Team, we have implemented a range of automated workflows that have saved over 7,000 hours of staff time across our organisation. By automating routine administrative tasks such as referral management, HR processes and updating patient records, we have been able to free up valuable time for our staff to focus on higher-level tasks that require their expertise and attention.

This has not only improved efficiency and productivity but has also led to significant cost savings for our organisation. Additionally, our RPA processes are highly accurate and reliable, ensuring that critical data is processed quickly and efficiently with minimal errors or delays.

As a result of these efforts, our AI HQ Team has become a critical asset in our ongoing efforts to improve patient care and optimise our operations.



## 3D Printing Pre-Operative Models - Immersive Health Workstream

We are dedicated to developing and implementing innovative technologies that improve patient safety and outcomes. One of our home-grown business partners, Insight Surgery, has been instrumental in this effort, creating a state-of-the-art 3D medical printing hub that has revolutionised the way we approach surgical procedures.

Through this hub, we are able to create custom 3D printed models of patient anatomy, which can be used for pre-procedure rehearsal and visualisation. This allows our clinicians to practice complex procedures before they are performed on the patient, improving safety and efficiency while reducing the risk of complications.

Recently, this technology was presented at a national teen technology event, where it was highlighted as a key innovation in the field of medical technology. The event showcased how pre-procedural rehearsal on custom 3D printed models has allowed for safer and more efficient surgery.

The benefits of this approach are clear. By using 3D printed models to practice complex procedures before they are performed on the patient, our clinicians are able to identify potential issues, familiarise with equipment and develop solutions before problems arise.

We are proud to partner with Insight Surgery and remain committed to working with our home-grown business partners to develop and implement new technologies and methodologies that enhance patient safety and improve the quality of care we provide.



## Projects in Progress for 2023/24

### Designing the Future of Neonatal Intensive Care - Health Tech and UX Workstream

We are committed to providing the highest quality care for our patients. To this end, we have utilised ergonomic and design thinking principles to guide the design of our new state-of-the-art Surgical NICU, which is set to open in 2025.

Through the use of prototyping spaces in innovation, we have been able to continually refine the layout and design of the Unit to ensure maximum efficiency, safety and comfort for both patients and staff. This has enabled us to create a single room approach that fosters family bonding and improves the overall patient experience.

In addition, we have engaged with industry experts and partners Neolook and Philips to develop our new line of sight platform, which allows for high-resolution video monitoring of babies at all times. This technology enhances



post-operative care by allowing clinicians to closely monitor their patients in real time whilst supporting the family centred care model.

The benefits of this approach are clear. By utilising ergonomic and design thinking principles, we will be able to create a Surgical NICU that is safer, more efficient and patient centred. Through the use of the Neolook platform, we are able to provide high-quality care while also ensuring the comfort and wellbeing of our patients and their families.

We are proud to be at the forefront of this innovative approach to patient care and remain committed to working with our partners in industry and healthcare to develop and implement new technologies and methodologies that improve the lives of our patients and their families.



## Strong Foundations

### Digital

- In July 2022, Alder Hey formally closed its Digital Futures Strategy. Following this, a new Digital and Data Futures Strategy was launched, developed with a range of stakeholders internally and externally. It had significant clinical input, divisional input and portrays the priorities of our children, young people and their families.
- Alongside delivery of projects within the strategies, a number of external digital accreditations have also been achieved by the Trust including Excellence in Informatics Level 3.
- The Trust has continued to deliver projects within the Digital Safety Programme, following its accreditation as an Electronic Medical Record Adoption Model (EMRAM) Stage 7 Organisation from the Healthcare Information and Management Systems Society (HIMSS). Electronic consent is now live across surgery, introducing a number of safety and efficiency benefits into the consent process. Digital communications have also been implemented as a replacement for paper correspondence, introducing a number of efficiencies for the Trust and for families.
- A number of solutions to support remote care have been implemented. The online Symptom Checker (developed as a tool for families to glean clinical advice about their child's symptoms and be signposted to an appropriate service) has been expanded and continues to be a valuable asset for supporting families before they attend our Emergency Department. Isla Care, a platform that allows for sharing of visual records remotely has been successfully rolled out across a number of specialties.
- A number of technical projects have also been completed to ensure the foundations were in place to support digital transformation work. This has included significant investment in cyber security, keeping information secure within the Trust. A refresh of the core infrastructure was also completed, to improve resilience of our digital systems.
- iDigital, an integrated digital service supporting both Alder Hey and Liverpool Heart and Chest hospitals has gone from strength to strength. Feedback from both trusts has been overwhelmingly positive on the impact that the joint service has had on the delivery of both Digital Futures at Alder Hey and Digital Excellence, the digital strategy at Liverpool Heart and Chest.

Finally, the Digital Service received several key awards and accolades including:

- ▶ Shortlisted for 'Clinical Safety HSJ Digital Award' for the Anaesthetic Record project
- ▶ Shortlisted for 'Improving Urgent and Emergency Care Through Digital' HSJ Digital Award for the Symptom Checker
- ▶ Excellence in Informatics Level 3
- ▶ Winner of the Health Tech Newspaper 'Partnership of the Year Award' for the iDigital collaboration
- ▶ Highly Commended for the Health Tech Newspaper 'Excellence in Engagement and Communication Award' for the Symptom Checker
- ▶ Chief Digital and Information Officer recognised as part of top 100 CIOs in UK

### Corporate Services Collaborative

The Corporate Services Collaborative was established during 2022/23 and held its inaugural meeting in June 2022.

The aim of this initiative is to bring the Trust's 12 non-clinical service departments together using a 'Brilliant Basics' approach, focusing on particular issues and areas for improvement identified via aggregated performance data across the same metrics used by the clinical divisions at their performance reviews.

In addition to workforce and financial data, the monthly collaborative meetings which are chaired by the Director of Corporate Affairs and attended by corporate heads of department or deputy directors, also look at a corporate services risk register for risks rated high, moderate and above.

The group uses a 'hot spots' approach to focus on particular areas of risk. This collective and mutually supportive methodology has been welcomed by participants as a means of reducing the risk of 'silo' working across these areas and identifying opportunities for sharing of good practice, resources and solutions in order to better support clinical service provision.

# Performance Analysis

The Trust's Integrated 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 was refreshed during the year to ensure consistency with the Brilliant Basics approach adopted in the Trust and the national "Making Data Count" principles.

It not only reflects CQC domains and is aligned to the Trust's five priorities from the 2022/23 Annual Plan 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 a strong history of quality improvement and our Brilliant Basics approach supports teams to make small changes that lead to big improvements and healthier futures for our children, young people and families. Brilliant Basics is our approach to improving quality, safety, effectiveness and experience. It's not an initiative; it is our vehicle for improvement and a way of working 'how we do things at Alder Hey'.



Brilliant Basics is organised through four workstreams:

- 1 **Leading Improvement**
- 2 **Learning for Improvement**
- 3 **Delivering Improvement**
- 4 **Enabling Improvement**

The Quality Hub, our Improvement Team, continues to drive the culture change required across the organisation, from ward to board, through development of knowledge, skills, behaviours and routines that support performance and improvement.

### Achievements during 2022/23 include:

#### Leading Improvement

- ▶ Executive standard work implemented in support of the 'governance lite' principles established during the pandemic to focus on what matters.
- ▶ Established a Daily Safety Briefing to enable key leaders to connect each day to ensure any safety risks are dealt with in real time.
- ▶ Development session for non-executive directors to connect NEDs to the Programme.
- ▶ Leadership coaching for direct leaders of frontline teams receiving training.
- ▶ HSJ Partnership Awards High Commendation received.

#### Learning for Improvement

- ▶ Clinical and non-clinical frontline teams coached (target 12, actual 16).
- ▶ Developed online platform to deliver learning.
- ▶ Agile coaching alongside teams in their everyday work environment.
- ▶ 37 team coaching conversations through support requests.
- ▶ Medication safety learning collaborative established with cross ward/division learning using data to improve patient safety.

#### Delivering Improvement

- ▶ Performance review meetings improved within three clinical divisions; clearer priorities and use of data to assess performance and improvement.
- ▶ Categorisation, alignment and prioritisation of all projects using the strategic alignment framework.
- ▶ Patient safety improvement projects developed and delivered using the Brilliant Basics approach.
- ▶ Stronger Together Model designed, delivered and evaluated supporting teams to develop and problem solve.
- ▶ Tested speciality level improvement workshop approach, achieving high evaluation.
- ▶ Multidisciplinary Rapid Process Improvement Week delivered; 35 change ideas developed and six PDSAs completed in week, streamlining process for complex patients to receive medication in a timely manner for discharge.

#### Enabling Improvement

- ▶ Recruitment of Youth Engagement Worker.
- ▶ Embedding children and young people's engagement and involvement into learning and delivery.
- ▶ SharePoint site developed as a central resource for all Brilliant Basics information.
- ▶ Case studies to demonstrate impact.
- ▶ Twitter account established with over 400 followers supporting shared learning with national and international improvement networks.
- ▶ Month dedicated to Brilliant Basics focussed on awareness and celebrating.
- ▶ Integrated performance reports refreshed to include time series data that informs performance and improvement.

As we move into 2023/24 the focus will be on maturing and sustaining our approach to continuous improvement by:

- ▶ Supporting leaders at all levels to adopt the style and approach that will support our improvement efforts.
- ▶ Supporting divisions to go further to align, enable and improve.
- ▶ Utilising the voice and ideas of the children, young people and families that we work with.

# ACHIEVEMENTS

## NHS Pastoral Care Quality Award

The NHS Pastoral Care Quality Award (PCQA) is a scheme that supports NHS trusts to provide high-quality pastoral care to internationally educated nurses and midwives. To achieve the award, trusts need to meet a set of standards for best practice pastoral care, evidencing through a variety of formats their practice and processes. This includes engagement with international nurses throughout the recruitment process, provision for their arrival, support provided during initial induction and

for NMC registration. The award recognises the need for support from not only a professional perspective, but also a pastoral and cultural perspective.

In 2022/23 the Trust was one of a handful of organisations that achieved the PCQA. It is a great achievement and is in recognition of the extensive and robust evidence the Trust has provided to showcase their current practices and support. The Team was honoured to receive this award. The Trust now has 200 international nurses who have been supported to join our workforce.

“ The Trust was one of a handful of organisations that achieved the PCQA ”

## Armed Forces Covenant

Alder Hey signed the Armed Forces Covenant in January 2023 as a commitment to supporting serving armed forces personnel, veterans and their families to suffer no detriment should they need to access our services. The Trust has made a number of pledges to uphold the aims of the covenant, a national promise in recognition of those serving in the armed forces.

The Trust was awarded accreditation in recognition

of its work in March 2023 by the Veterans Covenant Healthcare Alliance and is the first children's Trust in the UK to achieve this status.

Over the coming year we will continue to evolve how we minimise the impact of service life on and provide support for children, young people and their families. We will also increase the support we offer to our staff who are veterans or reservists and develop our working relationships with local military, reservist and cadet units.

## Patient Safety Strategy Board

This year the Trust formed the Patient Safety Strategy Board to deliver the Alder Hey Patient Safety Strategy, in response to the national Strategy from NHS England.

The Strategy sees a move in focusing our patient safety activity into the areas of insight, involvement and improvement. The Board has utilised the Brilliant Basics approach across all of its workstreams and has given real focus to a number of areas relating to patient safety.

The focus this year has been on patient safety work being data driven and understanding our current challenges and how as an organisation we will improve those key areas. Significant progress has been made in: patient safety mandatory training; the movement from the serious incident framework to the Patient Safety Incident Response Framework (PSIRF); and the commissioning of a new digital platform to manage incidents, risks, claims and complaints (InPhase) which when deployed in May 2023 will improve our ability to triangulate our data and improve learning.

As we move forward into 2023/24 we will prioritise the implementation of PSIRF and will further revise the board and expand the remit to cover all patient safety work in the organisation, becoming the single oversight group relating to patient safety.

# ACHIEVEMENT of National Standards of Care

During 2022/23 compliance with national standards of care and commitments under the NHS Constitution have been challenging due to rising demand for elective and urgent care services, together with the effect of industrial action by NHS trades unions. Nonetheless, our teams have delivered good access to care for the majority of our patients, through hard-work, ingenuity and commitment.

In urgent and emergency care, 68,174 children and young people attended our Emergency Department in 2022/23, which is 112% of 2019/20 pre-pandemic levels. We are in the top 10 performing emergency departments in England, as measured by the timeliness of care, with 75% of patients treated within four hours and patients are triaged, on average, within 13 minutes of arrival. This winter season saw a higher-than-normal level of scarlet fever notifications and we want to pay tribute to colleagues working in urgent care and medical specialties who led the response to this with partners in primary care. We mobilised acute respiratory infection hubs for children and young people and rapidly made clinical information available online to families. This guidance was provided in the Alder Hey Symptom Checker which has been accessed by over 300,000 people since its launch in early 2022.

Despite service pressures, the Emergency Department Team came together to form the 'ED at its Best' Programme which has supported staff welfare, psychological safety and designed improvements to our urgent and emergency care service to the children and young people. In January 2023 we opened our Urgent Treatment Centre (UTC) to provide access to treatment for patients with lower acuity in a different clinical setting to our Emergency Department.

Throughout the year we have provided excellent access to children's cancer services, with timely diagnosis and treatment of patients in line with all national waiting time standards.

We have observed a sharp rise in our waiting list for elective care this year and we have been focused on treating the patients with the longest waiting times. We met the national target to virtually eliminate patients waiting over 78 weeks for treatment by March 2023. We achieved this standard for Consultant-led elective care, with the exception of several patients who have chosen to delay their care. This was delivered through investment to grow our clinical workforce and transform our models of care. Moreover, Alder Hey has supported other hospitals in the region with their waiting list backlog by treating additional patients from other parts of the North West. We have treated more patients this year than in 2019-20: operations and procedures performed were 103% of pre-COVID-19 levels, outpatient consultations 115% and patients supported by our community and mental health services reached 143%. Our commitment to innovation has played a key role in increasing the number of patients we can treat, with the use of virtual consultations and virtual ward capacity where state-of-the-art remote monitoring and community nursing teams are supporting cardiology and respiratory patients to safely recover at home.

From a challenging position at the start of the year, we have improved access to diagnostic tests and as of March 2023, 84% of patients are now receiving investigations within six weeks. This improvement has largely been achieved through quality improvement work by the Urodynamics Service to increase capacity and the inception of home sleep studies by our Respiratory Physiology Service.



The Trust's performance against national access and other mandated targets for 2022/23 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			0	0	0	0
C. Difficile - Rates Per 100,000 Bed Days			0	0	0	0
18 Week RTT Target Open Pathways (Patients Still Waiting for Treatment)	92%	57.6% (March 2023 Position)	60.3%	56.3%	54.5%	55.3%
All Cancers: Two Week GP Referrals	93%	79.4%	100%	100%	100%	98.3%
All Cancers: One Month Diagnosis (Decision to Treat) to Treatment	96%	91.7%	100%	100%	100%	100%
All Cancers: 31 Day Wait Until Subsequent Treatments	98%	97.9%	100%	100%	100%	100%
A&E - Total Time in A&E (95th Percentile) <4 Hours	95%	62% (Type 1)	74.7%	82.6%	66.7%	77.3%
Readmission Rate Within 28 Days of Discharge <sup>2</sup>		0-15 Years:	5.0%	4.8%	5.0%	4.7%
		16 Years and over:	1.9%	2.0%	2.8%	2.0%
Rate of Clinical Incidents per 1,000 Bed Days			101	94	84	91
Clinical Incidents and the Percentage that Result in Severe Harm or Death			0%	0%	0%	0.06%

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

As a forward-thinking organisation, Alder Hey is committed to sustainable healthcare and we recognise that it is our duty to contribute towards the level of ambition set out in *'Delivering a Net Zero Health Service'*. This year we updated our Green Plan which was approved by the Board in January 2023. We are planning big changes Trust-wide, from how we power our buildings to how we design new services and to deliver this scale of change, we have expanded our Green T and created a Green Programme Board.

Teams from across the Trust have already delivered big changes including:

- Cutting our scope 1 and 2 emissions by 17%.
- Significant energy and cost savings.

Energy efficiency has been a big focus with the Estates Team and our partners in the PFI and MITIE making lots of improvements to our existing building and equipment. We have also made improvements in medical gases and in eliminating leaks from our chillers.

The year ahead will see even more change with improvements to our waste handling, the phasing out of our most environmentally damaging medical gases and our first all-electric building. We are also working on plans to improve travel options and increase the amount of energy we generate on site. We have also started working more closely with colleagues around the NHS and the city region and will build on this with events like Clean Air Day in June creating opportunities to bring people together.



## Equality of Service Delivery to Different Groups

The Trust recognises the importance of the equality, diversity and inclusion agenda in achieving its overall strategic aims and in addressing health inequalities in access, experience and outcomes. The Trust is fully committed to the requirements of the Equality Act 2010 and Public Sector Equality Duty.

The formation of integrated care systems nationally signaled a new ambition for collaborative working in order to develop effective, joined up models of care that are designed around people's needs and are more likely to improve access to care, quality of care, health inequalities and outcomes. Alder Hey sits as part of the Cheshire and Merseyside (C&M) Integrated Care System (ICS) and during 2022/23 we continued to work with partners to advance and coordinate paediatric care, address health inequalities and improve children and young people's outcomes. Some examples of this work include:

- Leading on the Health Equity Collaborative for Cheshire and Mersey in partnership with Barnardo's and the Institute for Health Equity, through the Beyond Programme, to address health inequalities based on evidence-based interventions.
- Continuing to host and jointly chair the Children's Health Alliance with Great Ormond Street Children's Hospital.
- Collaborative working with Royal Manchester Children's Hospital to further enable stable and equitable access to specialist children and young people's services across the North West, ensuring the children of the North West have access to the very best clinical expertise and outcomes.
- Contribution to system leadership into Liverpool's 'Healthy Children and Families' segment of the One Liverpool Plan to address health inequalities across the city.
- Establishment of a Health Inequalities and Prevention Steering Group to tackle health inequalities using a coordinated approach to all matters of health inequalities and prevention for children, young people and their families in Alder Hey, in Liverpool, across Cheshire and Merseyside and nationally.

The Trust has continued 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 regard to 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.

During 2022/23 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.

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 Trust's Patient Access Policy ensures that all patients have access to care and treatment based on fair and objective criteria.

Our new Strategy 2030 demonstrates our ongoing commitment to addressing and solving higher levels of deprivation across Cheshire and Merseyside's population by continuing to work with partners towards greater integration, to close gaps in care and exploit these opportunities, co-created with children, young people and families. We will work in partnership to grow children and young people today and deliver healthier adults into the economy tomorrow.



**“**  
**The Trust has continued to build on what we have learned during the pandemic to transform the delivery of services**  
**”**



## External Awards and Achievements in 2022/23

### Funding Boost for CRF

Alder Hey and Liverpool University Hospitals NHS Foundation Trust (LUHFT) were awarded a combined total of £7.3m of research funding by the NIHR (National Institute for Health Research). Alder Hey has received £2m funding for our Clinical Research Facility (CRF), extending our 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. 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.

**“ Alder Hey has received £2m funding for our Clinical Research Facility (CRF), extending our delivery of early-stage clinical research ”**

### Alder Hey Supports Ukrainian Refugee Effort

Alder Hey was one of seven hospitals across England chosen to provide lifesaving cancer treatment to young Ukrainian refugees. NHS Chief Executive Amanda Pritchard thanked NHS staff for their efforts to quickly and efficiently protect some of Ukraine's youngest and most vulnerable young people.

### Colleagues Receive Special Award on Behalf of NHS

Nurses, consultants and surgeons from the Liverpool Neonatal Partnership were among NHS workers chosen by Ruth May (Chief Nursing Officer for England) to receive a special accolade at The Women of the Year Luncheon and Awards.

The prestigious Women of Achievement Award was presented to 'Women of the NHS' in recognition of their unwavering dedication, commitment and compassion.

Zalena Vandrewala, Chair of the Awards, said: "We are delighted to welcome such an inspiring group of women to accept this award on behalf of the Women of the NHS. 2020 marked the Year of the Nurse and the Year of the Midwife, which we were unable to celebrate at the time due to the COVID-19 pandemic. It is therefore incredibly fitting to welcome NHS nurses and midwives to today's ceremony and give them the recognition and thanks they deserve."

Jen Deeney, Head of Neonatal Nursing for the Liverpool Neonatal Partnership (which includes Alder Hey and Liverpool Women's Hospital), said:



**“ The past two years have been incredibly difficult for so many people. I am extremely humbled and excited to be part of these amazing awards and it's an absolutely privilege for our Team to be asked to represent the Women of the NHS. ”**

## Alder Hey Expert Helps Drive Vital Research into Human Monkeypox Virus

Dr David Porter, Consultant in Infectious Diseases and Immunology at Alder Hey was joint Senior Author on a paper published in response to an important study called 'Clinical features and management of human monkeypox: a retrospective observational study in the UK'. The paper was written by NHS experts from across the country (working with academic partners) and looked at the management of previous cases of the human monkeypox virus in the UK by the NHS High Consequence Infectious Diseases Network.

The report, which was published in The Lancet Infectious Diseases, noted that human

monkeypox has rarely been seen outside of West and Central Africa. However, in the last five years outbreaks in more densely populated centres have occurred for the first time, with human-to-human transmission well described, raising concerns about its global spread. One such outbreak occurred in the UK in May 2022 and the paper's findings were helpful in educating people about the disease.

Dr Porter, joint Senior Author on the paper said: "I hope this paper adds important information on monkeypox infection and its clinical course. Alder Hey Children's Hospital works closely with our colleagues at Liverpool University Hospitals NHS Foundation Trust as one of five centres nationally providing specialist care for children and their families with this form of

“ I hope this paper adds important information on monkeypox infection and its clinical course. ”

High Consequence Infectious Disease. This collaboration on a local and national level within a specialist adult and paediatric network underpins our ability to provide safe and effective care in unusual and important conditions such as this.”



## Volunteers Receive Royal Award

Her Majesty's Lord Lieutenant of Merseyside, Mark Blundell visited Alder Hey in May and presented the Queen's Award for Voluntary Service to our dedicated Volunteer Team. The Team won the award in 2021 but were only able to receive it when COVID-19 restrictions were lifted.

To celebrate the Award, volunteers Tom and Pam were invited to an exclusive garden party at Buckingham Palace and met His Majesty King Charles III and Queen Camilla (then Prince of Wales and Duchess of Cornwall).

## Alder Hey Launches Ground-Breaking Health Platform

In June 2022, Alder Hey's Innovation Team collaborated with Microsoft and Mindwave to introduce a ground-breaking digital platform that will revolutionise the way in which patient care is delivered to children and young people.

AlderHey@nywhere™ aims to create a "hospital without walls" by providing a hybrid point of access and patient care for families, children, young people and clinicians to manage, treat, educate and coordinate delivery of their healthcare. Most importantly, it focuses on preventative healthcare and will make patient care more accessible and personalised. The technology was developed to address the finite capacity of hospital and community resources (including both physical space and workforce) while coping with an increased demand of accident and emergency admissions, long waiting times for outpatient appointments and increasing lengths of stay.



## Alder Hey Hosts Faraday Final

The Institute of Healthcare Engineering and Estate Management (IHEEM) brought the Faraday Challenge Final to Alder Hey in June. The Faraday Challenge is part of a wider Education Programme, made up of a whole host of teaching resources and activities to inspire and attract the engineers of tomorrow.

This year's challenge tasked teams to design a prototype that could be used in a children's hospital to make a stay in hospital more comfortable for young patients and their families, carers and friends.

The winning team were students from St Aidan's High School in North Lanarkshire who designed a prototype munchie box to help patients choose what to eat whilst in hospital and to motivate those feeling reluctant to eat.

Sue Brown, Associate Development Director at Alder Hey was part of the Judging Panel and said:

**“ It has been an absolute privilege to be part of this national event, judging the five finalists from 167 school entries. The young people and the engineering prototypes they produced have blown me away with their innovation, engineering and enthusiasm. They have really captured the real essence and spirit of Alder Hey and the approach we take to creating unique experiences for our children and families. ”**

## Alder Hey Research Team Leads £2.3m Clinical Trial

A new landmark £2.3m NIHR-funded clinical trial called PARROT launched in the UK in July 2022. It is a joint UK and Australian clinical trial, led in the UK by researchers from Alder Hey and the University of Liverpool.

PARROT is the largest ever trial of its kind and aims to recruit 500 children and young people aged 3-17 years with neurological impairment who are at risk of repeated chest infections. The study will explore whether a 12-month treatment with azithromycin affects rates of hospital visits, infections, GP and A&E visits, prescriptions, the treatment of infections and quality of life of both parent and child.

Coordinated by the Liverpool Clinical Trials Centre, the trial is funded by both the National Institute for Health and Care Research (NIHR) Health Technology Assessment (HTA) (£2.3m) and Australia's National Health and Medical Research Council (NHMRC) (\$1.4million).



## NPCPO Event at Alder Hey

In August our Academy hosted a National Practical Course in Paediatric Otolaryngology (NPCPO). The two-day hands-on course showcased interactive practical paediatric ENT procedures, with an expert faculty drawn from leading children's hospitals in the UK and overseas.

Delegates travelled from all over the world, including Athens, the Netherlands and Dubai to attend the event.

With a mix of innovative simulations and models, the course aimed to teach normal paediatric procedures, stimulate active thinking in emergencies and build delegate's confidence in performing paediatric ENT procedures safely. Stations included paediatric tracheostomy, orbital abscess drainage, intubation, vestibular assessment in children and rigid bronchoscopy and removal of foreign body all supervised by a faculty of skilled paediatric ENT consultants.



## CIO 100

Our Chief Digital & Information Officer, Kate Warriner, was included in the CIO 100 Awards. The Awards recognise the best technology leaders in the UK and celebrate their digital transformation achievements.

### New International Telehealth Service

We introduced an innovative service in August enabling clinicians across the globe to access expertise from world leading clinicians at Alder Hey, improving health outcomes for children and young people everywhere.

Using integrated and secure technology, Alder Hey's Telehealth 2nd Opinion Service facilitates a two-way, real-time interaction between families and clinicians from different parts of the world. Alder Hey is one of the first paediatric hospitals in the UK to launch this service.

Developed with clinicians at Alder Hey and in partnership with Teladoc Health, the system will allow us to offer: peer to peer advice to clinicians treating children and young people in other countries; virtual appointments with a clinician and patient; links for patients to access their appointment if they are unable to attend face to face; access to medical electronic patient records to support the clinician to provide advice on a diagnosis and ongoing healthcare; and a high-speed interpreter service with a selection of 65 languages, including sign language.

Mr Alfie Bass, Chief Medical Officer at Alder Hey said: "I am very pleased to support the new Telehealth 2nd Opinion Service at Alder Hey. We are extremely proud of our excellent clinicians, many of whom are world leaders in their field. The Service will enable this expertise to be of benefit to improving the health and welfare of children around the world – a key aim of our organisation."

### Highlighting the Impact of Fuel Poverty on Children

Professor Ian Sinha, Consultant Respiratory Paediatrician at Alder Hey supported Professor Sir Michael Marmot, Director of UCL Institute of Health Equity in presenting a review linking the 'dangerous consequences' of living in a cold home to a child's health and future life expectancy.

The review, Fuel Poverty, Cold Homes and Health Inequalities, predicts significant health, social and education detriment for a new generation of children if, as forecast, 55% of the UK's households (around 15 million people), fall into fuel poverty by January 2023 without effective interventions. It warns that epidemic-levels of fuel poverty affecting half of UK households will cause a 'significant humanitarian crisis with thousands of lives lost and millions of children's development blighted'.

Cold homes can adversely affect child development and cause or worsen respiratory conditions, cardiovascular diseases, poor mental health, dementia and hypothermia. Illnesses linked to cold, damp and dangerous homes cost the NHS more than £2.5 billion a year.

Professor Sinha said: "There is a window of opportunity in childhood for optimal respiratory maturation. This is impaired by problems associated with cold, substandard, or overcrowded housing such as viruses, dust, mould, and pollution. When we add in factors such as cutting back on food to pay the gas bills, and the mental health and educational impact of cold houses, the picture is bleaker still. Without meaningful and swift action, therefore, my concern is that cold housing will have dangerous consequences for many children now, and through their life-course."

### UNICEF UK's Baby Friendly Initiative

Our Neonatal Unit successfully progressed to the next level of UNICEF UK's Baby Friendly Initiative, having passed our Stage 1 Assessment in January. This Award is a reflection of our ongoing commitment to increase breastfeeding rates and improve care for all mothers at Alder Hey's Neonatal Unit. We set out to ensure that all mothers and babies are supported to form a close and loving relationship – whatever their choice of feeding method – as this is the best start for every baby.



## Alder Hey Welcomes First ‘Volunteens’

Alder Hey welcomed its first-ever Volunteens in October 2022. Volunteens is a new Volunteering Project offered by our Alder Hey Academy for young people with various physical and/or mental health challenges. The project has been kindly supported by a grant award from NHS Charities Together.

With three roles to choose from, the project is designed to help Volunteens gain career experience, develop new skills, meet new people and most of all, have fun!



## Alder Hey Team Provide Lifesaving Care in Africa

A Team led by Alder Hey visited Namibia to perform lifesaving cardiac procedures on sick children. Led by Alder Hey Consultant Cardiac Surgeon Mr. Ram Dhannapuneni, the Team operated on nine children in five days in Windhoek Central Hospital in Windhoek, Namibia.

The team performed four operations and helped the team based in Windhoek with five others, allowing the Namibia team to train and learn from the best so they can perform these operations in the future.

The trip was organised by Healing Little Hearts, a children’s charity, that funds trips by medical staff to perform cardiac surgery on children in remote areas who otherwise wouldn’t have access to treatment.

## Alder Hey Helps Tackle RSV

During 2022/23 Alder Hey played a vital role in a new respiratory virus study called HARMONIE looking into the leading cause of infant hospitalisation. RSV (Respiratory Syncytial Virus) is one of the leading causes of hospitalisation in all infants worldwide and affects 90% of children before the age of two. In recent months, there has been a resurgence of RSV following the easing of COVID-19 public health measures.

Alder Hey was one of six sites across the North West Coast involved in the study which was a collaboration between Sanofi, its partner AstraZeneca, and the National Institute for Health and Care Research (NIHR). The study evaluated the efficacy of Nirsevimab, a monoclonal antibody immunisation, in protecting against one of the leading causes of infant hospitalisation worldwide.

RSV often causes only mild illnesses like a cold. However, for some babies, it leads to more severe lung problems such as bronchiolitis and pneumonia. More than 20,000 infants across three countries (United Kingdom, France and Germany) took part in the study, from August 2022 to March 2023.

Dr Dan Hawcutt, Paediatric Consultant and acting Principal Investigator for the study at Alder Hey said: “While RSV is usually mild, even previously fit and well babies can be seriously affected, requiring hospital stays and even intensive care for a few. Paediatricians see wards full of babies with this condition most winters, and it causes significant distress to not only the babies themselves, but the family as well. If a treatment can be shown to reduce the severity of this condition, by reducing the number of hospital admissions, then it will be a very important step forward in making babies safer and reducing the burden on hospitals in the winter.”

## New Grant Programme Supporting Health and Wellbeing

Alder Hey created a ‘Healthy Weight’ Grant Programme for the Voluntary, Community, Faith and Social Enterprise Sector in Liverpool. The programme will provide funding to local organisations and groups aiming to increase impact on outcomes related to weight, mental health and emotional wellbeing amongst children and families. Successful applicants were announced in May 2023.

## Alder Hey Awarded Freedom of Sefton

Alder Hey was honoured to be among four NHS trusts awarded the Honorary Freedom of the Borough by Sefton Council in January 2023.

Freedom of the Borough is the highest ceremonial honour Sefton Council can bestow. In a special ceremony held at Bootle Town Hall, Mayor of Sefton Cllr Clare Louise Carragher presented the award in recognition of the dedication,



sacrifice and heroism shown by local healthcare workers throughout the COVID-19 pandemic.

## New Strategy to Address Healthcare Challenges

Our Innovation Team announced a new Strategy aimed at reducing healthcare problems faced by children and young people.

The strategy, 'Today's Child, Tomorrow's Healthier Adult' seeks to do this by focusing on acute and chronic childhood conditions such as asthma, obesity, and neurodevelopmental conditions and developing physical, digital, and automated solutions to optimise healthcare delivery and resources.

Professor John Chester, Director of Research and Innovation at Alder Hey said: "Alder Hey is a place of outstanding care,



amazing people, and world leading clinicians. But our ambition goes beyond the day-to-day and the bounds of our hospital. This Innovation Strategy will ensure that we focus on solving the real-world problems children, young people and families face, providing solutions to create healthier, happier, fairer futures for children our region and globally."

“ Providing solutions to create healthier, happier, fairer futures for children our region and globally. ”

## Alder Hey CEO New Chair for NHSE's Children and Young People's Transformation Programme Board



We were extremely proud that our Chief Executive Louise Shepherd was appointed as the new Chair of NHS England's Children and Young People (CYP) Transformation Board. Alongside her new role, Louise will continue as Chief Executive of Alder Hey where she has been in post since 2008.

The CYP Transformation Board was established to oversee delivery of Long-Term Plan commitments in relation to children and young people and comprises of key partners across health, care and education.

Dame Ruth May, Chief Nursing Officer for England, said: "Looking after the health and wellbeing of children and young people is of utmost importance, after all, they make up a third of our country and are our future. Louise's unwavering dedication and vast experience in this area are a real asset to this vitally important role."

Dame Jo Williams DBE, Chair of Alder Hey said: "This is fantastic news and at Alder Hey we are enormously proud that Louise has been appointed. Her passion and commitment over many years has driven forward an ambitious programme for children and young children. Louise will bring great leadership and insight to this role ensuring that the future health and wellbeing of children and young people are recognised as a priority."



# Financial Performance

The Trust ended the year with a reported surplus of £16.729m. 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 £5.460m surplus against its Control Total for the purpose of system achievement for the year.

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

	2022/23 £000	2021/22 £000
<b>Reported Surplus/(Deficit) for the Year</b>	<b>16,728</b>	<b>(2,753)</b>
<b>Exceptional Items</b>		
Profit on Disposal	0	(84)
Impairment	(10,109)	1,137
Donated Income	(3,254)	(451)
Donated Depreciation	2,093	2,288
<b>NHS England and Improvement 'Normalised' Surplus/(Deficit) on Control Total Basis for the Purpose of System Achievement</b>	<b>5,458</b>	<b>137</b>

Capital expenditure for the year is £16.9m. This expenditure related to completion of the Catkin/Sunflower House building, medical equipment, ongoing progress on the Alder Care Project and other moves to complete the new campus and enable the full reinstatement of Springfield Park and to progress the preparatory work for the new Neonatal building.

The Trust had a cash balance of £83.5m at the end of March 2023.



## Income

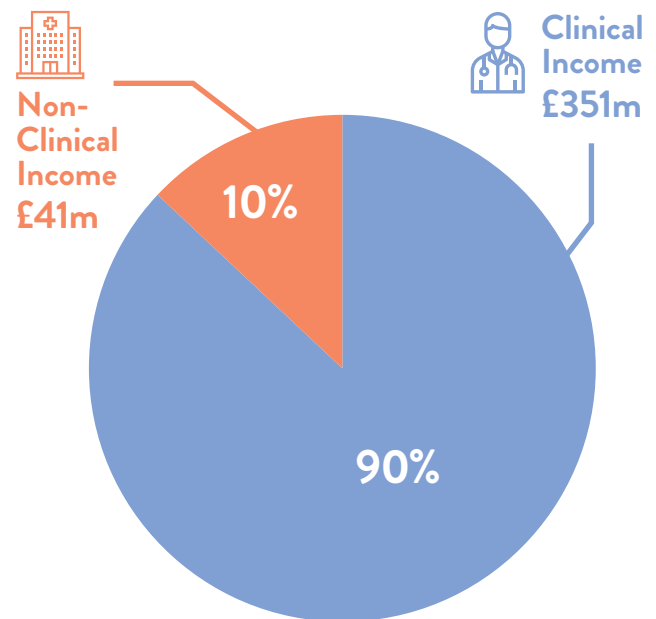
Total income received by the Trust in the year ended 31st March 2023 was £391m with £351m (90%) coming from the delivery of clinical services. In 2022/23 the NHS operated under a 'blended' payment model, which meant that the majority of clinical services were block funded, with some areas (for example drugs, devices and elective activity) paid on a variable basis. Ultimately, however, providers did not have their payments adjusted for elective performance.

Welsh commissioners adopted the same funding model as in England, while Isle of Man, Northern Irish and Scottish activity returned to full PBR.

Non-clinical income returned to pre-pandemic levels in most but not all areas. In 2022/23 the main sources of non-clinical income were education and training, research, digital and diagnostic services to other NHS hospitals.

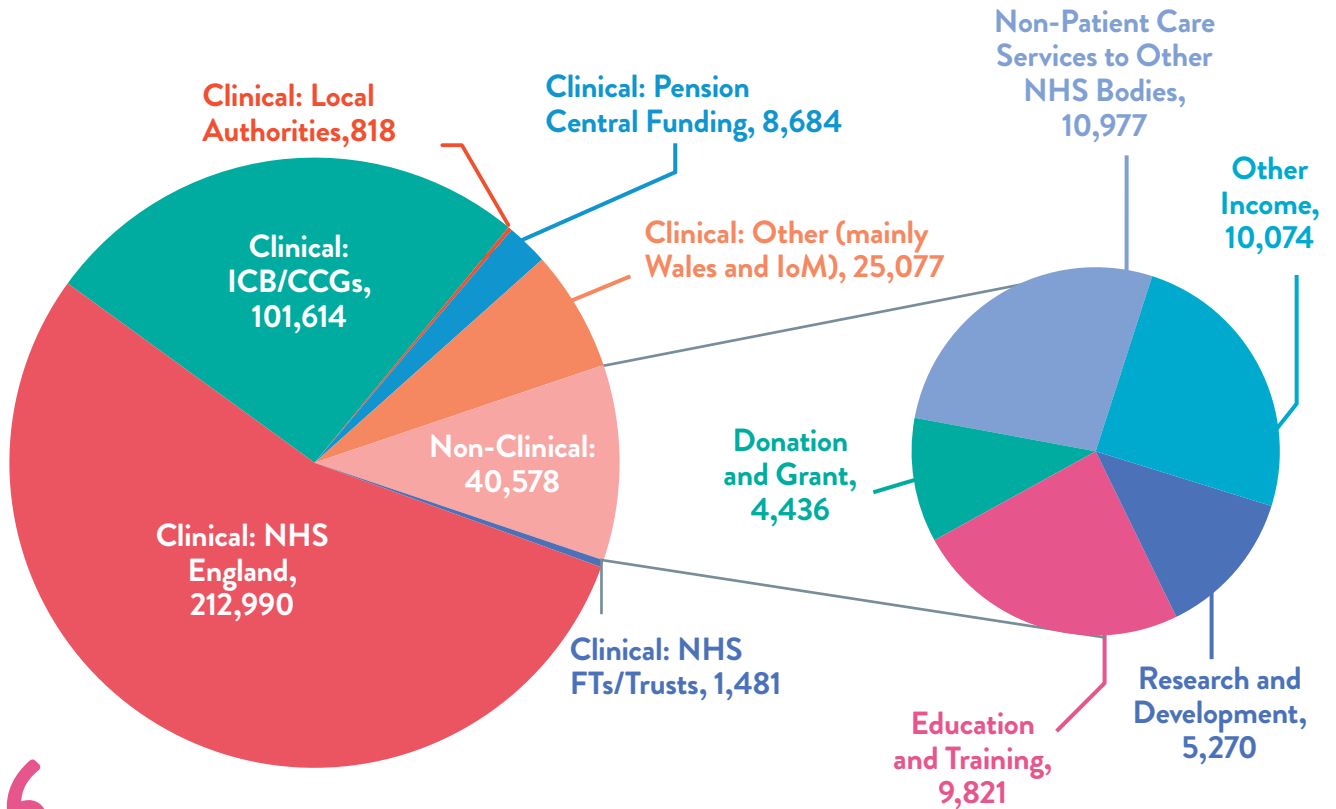
### Income by Source 2022/23:

## Clinical/Non-Clinical Split



“ Non-clinical income returned to pre-pandemic levels in most but not all areas. ”

## Income Breakdown (£000s)



“

The majority of clinical services were block funded, with some areas (for example drugs, devices and elective activity) paid on a variable basis.

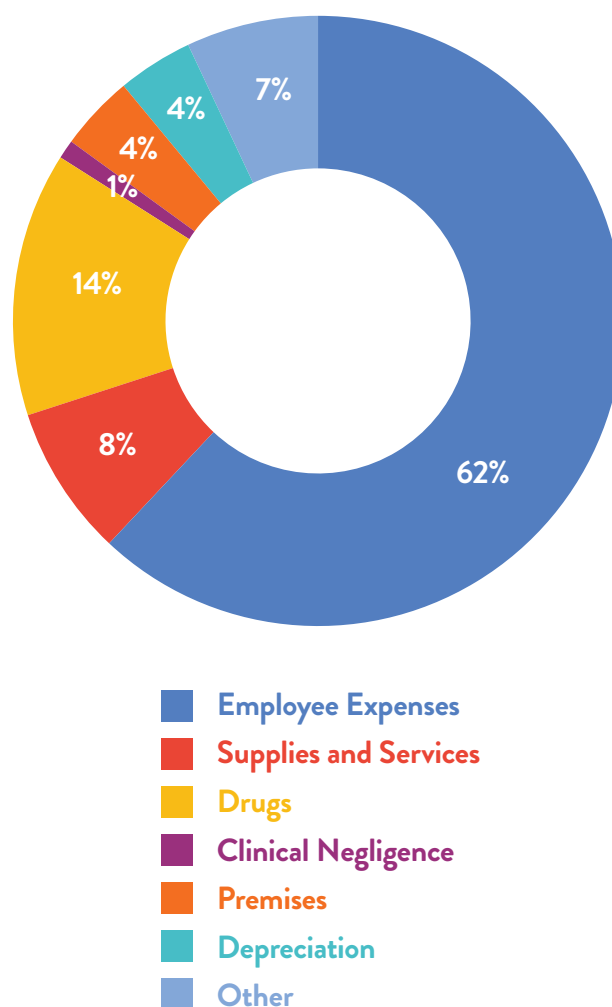
”



	2022/23 £'000	2021/22 £'000
<b>Acute Services</b>		
Block Contract/System Envelope Income*	227,563	236,560
High Cost Drugs Income from Commissioners (Excluding Pass-Through Costs)	38,013	30,264
Other NHS Clinical Income	20,711	20,388
<b>Mental Health Services</b>		
Block Contract/System Envelope Income*	20,063	18,151
<b>Community Services</b>		
Block Contract/System Envelope Income*	19,263	13,512
Income from Other Sources (e.g. Local Authorities)	818	1,038
<b>All Services</b>		
Private Patient Income	114	474
Elective Recovery Fund	7,486	9,488
Agenda for Change Pay Offer Central Funding	7,544	0
Additional Pension Contribution Central Funding	8,684	8,131
Other Clinical Income**	403	630
<b>Total Income From Activities</b>	<b>350,663</b>	<b>338,636</b>

## Expenditure

Operating expenses totalled £364.8m for the year and as in previous years, staff costs account for the largest use of resources at 62%. An analysis of operating expenses by type is shown in the chart below:



## Financial and Operating Risk

Total clinical income for the year was £351m, which exceeded the plan figure of £322m largely related to the income received in relation to additional anticipated staff costs for pension and pay award. Total normalised expenditure (excluding technical issues) for the year was £376.3m which was £22.6m higher than the plan of £353.7m. Again, this was as a result of the additional staff costs for the nationally funded pension cost and anticipated pay award.

The outturn also includes a credit of £10.1m in relation to impairments net of reversals (the credit reflects a reversal of prior year impairments).

Drugs expenditure was £10.4m higher than planned although a large proportion of this was recovered via income for specialist drugs not funded through block arrangements.

## Capital Investment Programme

During the year the Trust completed £16.9m 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.	4,815
IM&T Capital Schemes	Investment in IM&T including security and resilience and development of the digital hospital.	1,465
Medical Equipment	Investment in medical equipment inclusive of equipment replacement cycle.	2,868
Alder Hey in the Park	New hospital non-medical equipment and site development costs.	3,028
Nationally Funded Initiatives	Provider frontline digitisation, diagnostic equipment, development costs for daycase EDYS facility and elective hub.	4,761
<b>Total Capital Investment 2022/23</b>		<b>16,937</b>

## 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.

	2022/23		2021/22	
	NHS	Non-NHS	NHS	Non-NHS
Invoices Paid Within 30 Days	1,899	54,689	1,758	50,921
Invoices That Were or Should Have Been Paid Within That 30-day Period (Split Between NHS and Non-NHS Payables)	2,648	63,625	2,594	59,224
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)	71.7%	86.0%	67.8%	86.0%

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

IFRS16 has been applied in 2022/23. Other than this 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.

## Key Risks to Delivery in 2022/23

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.

Children and young people waiting beyond the national standard to access planned care and urgent care, the current financial environment, digital strategic development and delivery 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 Board remained focussed on restoration of services during 2022/23 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 workforce sustainability and development and ensuring that we will look after, support, develop and grow the people who work for Alder Hey, ensuring they have the right values, skills, knowledge and leadership to thrive, making Alder Hey an incredible place to work.



## 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 27th June 2023.

Signed on behalf of the Board

*Louise Shepherd*

**LOUISE SHEPHERD CBE**

Chief Executive

27th June 2023



## Joshua's Story

Three year old Joshua recently finished treatment for Langerhans Cell Histiocytosis (LCH), a cancer-like condition which affects just 50 children in the UK each year.

When he was nine months old, Joshua developed a lump on the side of his head which continued to grow until his ear was being pushed down to his jaw.

After a trip to his local hospital, brave Joshua was rushed to Alder Hey and following scans was diagnosed with LCH. This required him to start chemotherapy straight away.

Two years later, Joshua has now finished his treatment and has recently started nursery!



“

There aren't enough words to say how amazing the staff are at Alder Hey! Every visit we came for chemotherapy they were lovely and made Joshua feel safe and calm.

”

Mum Alison said:

# 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 health park aims to provide a world leading holistic health and wellbeing environment for all children and young people and comprises a state-of-the-art specialist children's hospital and mental health facilities, a dedicated children's Research Institute and Academy 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.

In addition to her role at Alder Hey, Louise has led a number of national and regional programmes, including Co-Chair of the National Children's Hospital Alliance (since 2020), Senior Responsible Officer for the Cheshire and Mersey Children's Transformation Programme "Beyond" and the establishment of the initial Sustainability and Transformation Programme for Cheshire and Merseyside in 2016/17. She was appointed Chair of the National Children's Transformation Programme by NHSE in March 2023.

A graduate of the University of Cambridge, Louise has a strong interest in the Arts, was appointed Chair of the Royal Liverpool Philharmonic Board in November 2022 and plays violin for the Liverpool Mozart Orchestra. Louise was awarded a CBE for services to healthcare in 2017.

## 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 the Year awards; The Finance Director of a Non-Profit Large Organisation (over £100m) Award and he was the overall winner of the Finance Director of the Year Award.

### 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-19-19 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 in 2025.



### **Nathan Askew – Chief Nursing Officer**

Nathan joined Alder Hey in November 2020 as the Chief Nursing Officer 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 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.

### **Melissa Swindell – 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.

### **Alfie Bass – Chief Medical Officer**

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. Alfie was appointed as Alder Hey's Chief Medical Officer in October 2022; in this role 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. 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 risk management and legal matters. Erica holds an MBA as well as a BA (Hons) degree from the University of Liverpool.

### **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 and the Trust's Transformation and Quality Improvement Team. Dani specialises in development of complex partnerships to improve patient care across systems; examples include her Executive leadership of the Cheshire and Merseyside Children and Young People's 'Beyond' Programme which is driving improvements to outcomes for children across the local integrated care system, and of the North West paediatric operational delivery networks.

Dani is experienced in building systems and partnerships to create better outcomes for patients, across primary and community care, mental health, acute trusts, local authorities and voluntary sector groups; she has nearly 20 years' experience working in the majority of these different settings. Dani began her NHS life in technology and innovation, following a BA Hons degree in Economics and an MSc in Health Care Ethics at the University of Liverpool. She achieved her Executive Leadership in Healthcare Award through the 'Nye Bevan' Programme in 2017.

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

Kate is the joint 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 Phil Shotton Big Band.

### 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 Trust website.

## 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. His appointment was extended annually thereafter by the Council of Governors due to his commercial expertise and the stability he provided to the Board. Ian's final twelve-month term ended on 31st March 2023.

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 and Senior Independent Director

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 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. Kerry is the Trust's NED lead for Emergency Preparedness, Resilience and Response and Freedom to Speak Up.

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 (EY). Kerry spent nine years as a Non-Executive Director at Liverpool John Moores University where she was Chair 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 and Risk Committee. Since leaving EY she has been managing her own portfolio of 10 rental properties in the North West.

**Anita Marsland MBE –  
Non-Executive Director/Senior  
Independent Director (to June 2022)**

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 (2018-20) 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 OBE - Non-Executive Director,  
Chair of the People and Wellbeing Committee and  
Wellbeing Guardian (to October 2022)**

Fiona Marston joined the Alder Hey Board in November 2019. Fiona is a biotechnology entrepreneur and was a Business Consultant to the Department of Clinical Sciences at Liverpool School of Tropical Medicine (LSTM) and Royal Society Entrepreneur in Residence for LSTM from 2021–23. As Royal Society EiR she worked with LSTM to support training and mentoring in commercial translation of innovative research, to build the entrepreneurial skills and knowledge of staff and students.

Until late 2020 Fiona was Director of the Centre of Excellence in Infectious Diseases Research focused on commercial translation for the University of Liverpool, LSTM and associated NHS trusts. Early in her career she founded the investment incubator Healthcare Ventures, for the Rothschild Bioscience Unit and J&J Development Corporation investing in European entrepreneurs.

Currently Fiona is Chair and CEO of Erebagen Limited a synthetic biology company. She has been appointed the Royal Society Entrepreneur in Residence to the University of Reading from 2023, advises the seed fund UKI2S and the NC3R's CRACK IT Challenge. Fiona has a BSc Hons (Biological Sciences; UEA), PhD (Biochemistry; UKC), MBA (London Business School) and was awarded an OBE in the 2021 Queen's Birthday Honours.

**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 Hospital 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

Fiona joined the Alder Hey Board in October 2019 and was re-appointed for a second three-year term to October 2025. 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. She was also a Trustee of the Liverpool Football Club Foundation, the official charity of Liverpool Football Club, from 2012-19.

### Garth Dallas – Non-Executive Director

Garth joined Alder Hey as a Non-Executive Director in November 2021. 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. 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. Garth 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.

### John Kelly – Non-Executive Director

John was appointed to the Board in September 2022. A qualified Chartered Accountant, John holds long-standing experience of working with some of the world's leading companies. He was a senior partner at KPMG and a member of the Liverpool Vision Board. He has worked on strategic change and transformation programmes in a wide range of industries including Consumer and Retail, Healthcare and Life Sciences and Financial Services. John holds two charitable trustee roles supporting young people including at The Dean Trust and Eureka! John was born on Eaton Road, overlooking the old hospital, so has a very unique connection with the Trust and spent most of his childhood playing football on Springfield Park - with the occasional visit to A&E!

### Jo Revill – Non-Executive Director and Trust Wellbeing Guardian

Jo was appointed to the Board in October 2022. With a career across government affairs and membership bodies in both the medical and scientific sector, Jo brings considerable knowledge of how to transform organisations to be impactful, have a positive culture and deliver their strategy. Jo is passionate about the mission to improve the lives of children and has previously led on projects including the development of the three-year strategy for paediatrics for the Royal College of Paediatrics and Child Health, supporting the efforts to improve equality, diversity and inclusion in paediatrics and governance reviews.

## 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 2022/23.

## 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 and sets out how providers should carry out developmental reviews of their leadership and governance.

Due to the ongoing pressures on the Board arising from the COVID-19 pandemic to recover services, the Trust has not undertaken a review against the Well-Led framework during 2022/23. The Trust plans to commission an independent review against the elements of the Well-Led framework during 2023/24 following a number of new appointments to the Board.

Instead, the Board's key developmental focus during 2022/23 was upon the formulation of Alder Hey's new strategy: the 2030 Vision. The Board worked with Strasys throughout the year to gain a detailed, data driven understanding of our patient population and the determinants of their need for and use of our services. This in turn widened to encapsulate a bigger picture view of our local communities, the challenges that they face every day and ultimately, the ways in which we as an anchor institution could potentially effect change to the life chances of future generations. This lengthy and comprehensive process of analysis and discussion resulted in our new vision and a repositioning of our strategic aims and underpinning governance, that will be implemented during 2023/24, including the establishment of a new Strategy Board to monitor the delivery of the 2030 Vision and Implementation Plan.

During the year we have built upon the work described in the previous year's Annual Report to improve and integrate our governance arrangements. In 2022 NHS

England updated the Code of Governance for NHS provider trusts to reflect the legal establishment of integrated care systems, changes to the UK Corporate Governance Code in 2018, its application to NHS trusts and the evolving NHS System Oversight Framework. In March 2023 the Trust took the opportunity to undertake a detailed review of the new Code to understand its compliance position and any actions required ahead of the new Code coming into effect on 1st April 2023. This was shared with the Council of Governors for their views and input, actions to ensure compliance against the new requirements are being taken forward into 2023/24.

The Board of Directors maintains continuous oversight of the Board Assurance Framework at its meeting each month to enable full oversight of key risks to delivery of the Trust's strategic objectives 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 undertook an annual review of its Risk Appetite Statement this year, setting out its intended risk thresholds; this work has been initially progressed through the key assurance committees with a view to further refining the agreed risk tolerances during 2023/24 following worked examples and discussion of tolerance for each of the various defined risk categories.

The Risk Management Forum, chaired by the Director of Corporate Affairs, continues to act 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.



# Patient Care

## Infection Prevention and Control

### Successes and Achievements:

- There have been no healthcare associated MRSA bloodstream infections at the Trust since January 2018.
- There have been no healthcare associated hospital onset C. Diff cases in 2022/23. There were no cases of C. Diff where a lapse in care was identified.
- There has been a 12% decrease in the number of healthcare associated Methicillin Sensitive Staphylococcus Aureus (MSSA) blood stream infections in 2022/23 from 2021/22.
- There has been a significant decrease in ICU validated central line associated bloodstream infections (CLABSI) from 21 in 2021/22 to 14 by the end of February 2023.
- The Team has successfully managed an outbreak of Carbapenem-Resistant Enterobacteriaceae CRE on the Cardiac Ward. Ten patients newly colonized with CRE were identified in the Cardiac Ward between December and October 2022. A timeline of these clusters of cases was completed by Track and Trace. Controls were implemented including prospective surveillance of all patients admitted to the Ward, enhanced cleaning and decontamination, introduction of single patient use scales, an increase in IPC walk arounds and education, increased hand hygiene audits and discussions with the parents about socialising safely on the ward. All ten isolates were sent for typing to Colindale, which confirmed that all samples were the same strain. No further cases were identified after the controls were implemented.
- Incidence in invasive Group Streptococcus Pyogenes (iGAS) in Quarter 3 when there was an increase in the community cases of iGAS and two hospital acquired cases were identified. The Team supported the work of UKHSA, identifying four patients who were on the Unit at the same time arranging screening of patients and a symptomatic staff member. No additional cases were identified. The Team now review all iGAS cases to determine if they are healthcare associated and liaise with clinical teams to ensure patients are prescribed treatment as soon as possible.
- The team have worked with the Senior Nurse for Quality to combine the IPC spot and PPE audit to provide to support the development of the Cleanliness Audit.
- An isolation tool was developed to support the work

### Statement of Trust Board Commitment to tackle Antimicrobial Resistance (AMR)

Alder Hey is committed to supporting the efforts that improve antimicrobial use across the Trust and to tackle the health inequalities that contribute to AMR. The Chief Executive Officer, Chief Medical Officer and Chief Nursing Officer on behalf of the Board are committed to embracing and executing the core elements for Antimicrobial Stewardship; leadership commitment, accountability, drug expertise, action, tracking, reporting and education to ensure that every child and young person treated at Alder Hey receives the right antimicrobial, at the right dose and at the right time.

of patient flow. This process implemented in Quarter 3 provides Patient Flow and the clinical teams with information about the isolation status of patients across the Trust excluding critical care. It gives information about which patients may be moved out of isolation or placed into cohorts of patients with the same infection i.e. RSV and helps quickly determine patient placement, helping flow and reducing the risk of patients being placed in the wrong area. The isolation tool is used by the IPC Team to carry out isolation walk rounds. These walk rounds provide increased visibility for the Team and clinical support in terms of education for the ward teams.

- We updated Trust PPE guidance in line with national guidance for COVID-19 and recovery of clinical activity post-pandemic. This led to the relaxation of mask wearing in non-patient areas in June 2022. Guidance was reviewed in the Clinical Advisory Group led by the DIPC which provides a forum for senior medical engagement in IPC policies and guidance.
- The Track and Trace Team continued to support the Trust up to the end of December 2022. Staff PCR testing stopped for staff testing negative on LFT from mid-December 2022 in line with national guidelines. Staff were then able to then remain off work and self-monitor with LTF as per national guidance. The Team continued to support the staff providing advice via the inbox until February 2023 when the Infection Control inbox took over.

- The Staff Influenza Vaccination Programme commenced on 10th October 2022 running for 10 days followed by ad hoc clinics in the Trust and community. Over 1,860 staff had received their vaccine by the end of December 2022.
- COVID-19 boosters were offered to the staff for two weeks beginning 19th September 2022 in the Vaccine Hub. 1,669 COVID-19 boosters were taken up by Trust staff by the end of December 2022.
- October 2023 saw the commencement in post of the Deputy Director for Allied Health Care Professionals (AHPs). The post holder providing line management to the Lead Nurse for IPC and support to the DIPC and Director of AHPs.
- December 2023 saw the appointment of Band 6 IPCN from the Pandemic Team.
- February 2023 saw the commencement of a fixed term IPC Project Co-ordinator to support the work of the DIPC.
- In April 2023, the IPC Team will start working with the Brilliant Basics Team with an initial team building meeting scheduled on 19th April 2023.

## 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.

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 has involved children and young people in the assessments. 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.



The table below shows the current status of all departments assessed this year:

Ward/ Department	Previous Award	Score	Latest Award	Score	Scoring Trend	Comments
Ward 1C Cardiac	GOLD	90.2%	SILVER	87.4%	↓	*White on day of assessment
Ward 1C Neonatal	SILVER	89.5%	GOLD	90.6%	↑	
Ward 3A	WHITE*		SILVER	81.2%	↑	
Ward 3B	GOLD	90.2%	SILVER	83.4%	↓	
Ward 3C	GOLD	90.7%	SILVER	87.9%	↓	*White on day of assessment
Ward 4A	SILVER	86.4%	SILVER	82.6%	↓	*White on day of assessment
Ward 4B	SILVER	80.1%	SILVER	83.8%	↑	
Ward 4C	SILVER	85.8%	SILVER	83.4%	↓	*White on day of assessment
Burns Unit	GOLD	91.3%	GOLD	93.3%	↑	
CAMHS – Liverpool	SILVER	86.1%	SILVER	86.9%	↑	
CAMHS – Sefton	SILVER	88.5%	SILVER	87.3%	↓	
Clinical Research Facility	GOLD	95.4%	GOLD	93.6%	↓	*White on day of assessment
Dewi Jones Unit	SILVER	89.1%	SILVER	86.0%	↓	
ED/EDU	BRONZE	77.7%	SILVER	81.6%	↑	
HDU	SILVER	84.1%	SILVER	84.6%	↑	
Medical Day Unit	SILVER	85.9%	SILVER	87.5%	↑	
Outpatients	SILVER	86.9%	SILVER	88.3%	↑	
PICU	BRONZE	79.1%	SILVER	83.0%	↑	*White on day of assessment
Surgical Day Unit	GOLD	94.1%	GOLD	84.6%	↓	
Radiology						First assessment – outcome pending

The above demonstrates many areas have improved from their previous inspection. The plans moving forward are to expand the programme to a further 12 areas which will include our community and non-ward based clinical areas.





## Spotlight Week – A Focus on Quality and Safety

A key focus of the Trust following the lifting of restrictions in place due to the pandemic was to move towards the recovery and restoration of all services. This provided the organisation with the opportunity to take stock of clinical and corporate services and focus on assurances relating to the safety, quality and responsiveness of services.

A full week of activities contributing to developing an overview of the organisation as a whole took place on 5th December to 9th December 2022, the purpose being to provide assurance as to what is working well and where there are areas for improvement. During this week several events and activities were undertaken to gain feedback from children, young people and their families, to support staff to identify improvement projects and a large number of ward and department visits focusing on quality, safety and experience.

The Trust was grateful of the support of the ICS, chief nurses from the standalone children's hospitals and a previous Chief Executive as part of the Review Team. The external stakeholders provided support and challenge from an independent perspective as part of the process.

### The week consisted of:

- ▶ A modified ward accreditation process for all areas.
- ▶ Children and young people engagement and feedback.
- ▶ CQC style assessment interviews of a range of services.

The teams allocated to visit wards and departments were led by a senior member of staff and also included clinical and non-clinical staff from within the Trust as well as staff from external organisations, young volunteers and external partners.

### Good practice themes identified:

- Wards were welcoming and felt calm, staff were open, engaged and knowledgeable, with excellent local leadership.
- Staff are proud of the difference they make and their contribution to patient care. Staff were aware of incidents, complaints, risks and subsequent actions, discussed at safety huddles and displayed on safety and governance information boards.
- Families feel cared for, supported and safe.
- Compliance with use of PPE (Personal Protective Equipment) and Infection Prevention and Control Practice observed.

### Areas for improvements identified:

- Compliance with completing safety checks consistently in some instances.
- Lack of cleaning schedules in some areas.
- Concerns about staffing levels and acuity of patients.
- Awareness of the meaning of the Duty of Candour among some staff.
- Storage problems in some areas.

Children and young people helped by undertaking a 15-step challenge across a range of clinical areas and providing feedback on how they would like to see things improved; they did comment on how friendly all the staff were.

The services who undertook the CQC style interview assessments were all proud of the work that their teams had undertaken and were able to articulate the key risks and challenges of their services with a sense of pride in what was working well. Key areas for improvement were identifying the range of outstanding work the teams have done, including quality improvement work, to demonstrate a consistent narrative in relation to the outstanding award criteria.

## Tendable Audits (Formerly Perfect Ward)

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 and 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.

In addition, Tendable introduced a new module within the App for the assessor to record what actions need to be taken to address any issues identified during the audits; the Ward Team need to then complete the corrective actions for the action to be cleared. Training sessions were held to familiarise staff with this new module and the module went live within the organisation in November.

A review of each of the audits currently used within the Tendable App has been undertaken with the relevant teams in the organisation and the following changes have been or will be actioned:

- The Tissue Viability Audit – some of the questions were no longer applicable and the Tissue Viability Team felt that some new questions needed to be included. These changes have been made and the new updated audit is now in use. In 2023/24 we will pilot moving the TVN audit from point prevalence to utilising our EPR for real time data on every patient.
- The Infection Prevention & Control Audit and the PPE Compliance Audit have been reviewed, revised and merged into one audit looking at all aspects of Infection Prevention & Control. The previous audits have been archived and the new audit is now available and in use.
- Meetings have been held with managers and matrons to review the matrons/ward managers' Quality & Safety Audit and a revised audit is in draft for further discussion with the matrons and managers ahead of actioning the changes.

The Standard Operating Procedure relating to quality and safety audits using the Tendable App, will be updated to reflect the changes to the audit schedule and will include roles and responsibilities in relation to completion of actions or escalation if actions remain unresolved. The Trust plan to move the current audits to the new InPhase System which will allow the data to be triangulated with other incident, risk and complaint data.



## Quality Priorities

The Trust set an objective in 2022/23 to focus on three quality priorities and several additional plans for the year ahead, led by clinical teams and supported by the Quality Hub.

### Priority 1: Deteriorating Patient

Deteriorating patients is one of the largest 'cause groups' seen within incidents and root cause analyses (RCAs) across the Trust. The impact of this problem is that patients may experience preventable deterioration that could have been managed more effectively, thus leading to delays in treatment and potentially resulting in harm.

The focus for this priority in 2022/23 was to continue the development and implementation of a safe pathway for the deteriorating patient, to ensure a robust escalation process. The goals for this priority were as follows:

- Strengthening governance.
- Continuing to learn from deteriorating patient data.
- Assessing the ability to use artificial intelligence for the development of a preventability framework.
- Preparing to implement national requirements as they develop.

#### **Key achievements for this priority in 2022/23 include:**

- Development of a robust clinical governance structure to support a system of timely identification, escalation and response to patient deterioration and appointment of clinical leads.
- A Meditech reporting process was put in place to audit practice surrounding cases of patient deterioration, with learning from this being used to formulate improvements in processes.
- An Acute Care Team is now in place, covering nights and is part of the escalation process.
- Training materials have been developed and approved for all wards, to ensure staff awareness and appropriate use of Meditech forms and a clear pathway and process for escalation to Consultant level for review of the deteriorating patient.

- Individual Rapid Pathways agreed at departmental level including Cardiac, Neonatal and HDU.
- The driver metric for this priority has been established as 'number of unplanned admissions to critical care', which have reduced over the year by approximately 10 per month.
- We have continued to learn from deteriorating patient data. The significant reduction seen in data of transfers to critical care in the last 12 months has demonstrated the positive impact of appropriate early intervention with deteriorating patients.

#### **Aims and Next Steps**

For 2023/24, the Deteriorating Patient Pathway will remain a focused quality priority for the Trust and will continue to report through the Patient Safety Board. Our aim will be to have a robust, safe escalation process in place that ensures the same level of care is available 24 hours per day, 7 days per week. We will do this by:

- ▶ Continuing to refine and further develop 24 hour/7-day week robust escalation process.
- ▶ Reviewing and aligning the workforce to support the 24 hours/7-day week escalation process.
- ▶ Ensure all staff are using the same system for reporting/logging handover and patient deterioration.

## Priority 2: Medication Errors

Almost every patient who is admitted to hospital requires medication. Prescribing, administering, and dispensing medicines for children are complex processes and require specialist knowledge and experience. The Medication Safety Committee has continued to implement a range of projects to directly impact the safety of prescribing, dispensing and administration of medication.

The 2022/23 aim was to further reduce the number of medication errors that cause harm to patients by 20% and reduce the number causing moderate harm or above to zero. We also planned to:

- Continue working with prescribers to improve learning from prescribing errors.
- Decrease the incidents that involve parenteral nutrition, high risk medicines and interruptions/distractions.
- Continue to raise staff awareness of the 'Yellow Card' scheme.
- Lead quality improvement projects focusing on the expansion and redesign of the Trust intravenous medication guidelines and promote safety of high-risk medications.
- Increase training on processes and procedures for handling of controlled drugs.
- Provide more face-to-face training both informally at ward level and formally in designated training sessions.
- Develop and distribute new promotional material highlighting the importance of correct checking processes when managing intravenous infusion pumps.

### **Key Achievements**

In 2022/23 a 20% reduction in the number of administration and/or prescribing errors across Alder Hey was achieved as well as a reduction of incidents causing harm. In relation to the plans listed above, the following were achieved:

- We have worked with prescribers to improve learning from errors. For example, the High Dependency Unit now run 'druggles' every Thursday as a standard process, in which advance nurse practitioners, pharmacists and consultants review incidents, involving Band 7's to identify any further learning.

- Departments from across the Trust have adopted Brilliant Basic methodologies of Quality Improvement such as improvement boards and observations.
- We facilitated face-to-face ward medication collaborative training sessions, featuring content on the handling of controlled drugs, with staff from HDU, 3C, MDU, ED, 4B, 3B and 4C and also implemented a Medication Safety mandatory training module on ESR.
- Posters and flyers highlighting the importance of correct checking processes when managing intravenous pumps were distributed, launching on World Patient Safety Day.
- The creation of a medication safety incidents dashboard, ensuring all wards have access to their medication error data patterns to support understanding of the causes of incidents and to support data-driven local improvements.
- Recruitment of a 12-month post of a Band 8a Pharmacist to address capacity concerns and support the progress of change ideas.
- Working with wards and other areas of the Trust to empower staff to make improvements in medicine safety in their own areas using the Brilliant Basics methodology.

### **Aims and Next Steps**

Due to the success of interventions made to address medication safety throughout 2022/23 this priority has become business as usual across the Trust, reporting monthly into the Medication Safety Committee with incidents being reviewed by the medication safety officers and reporting into Patient Safety Strategy Board on progress every quarter.

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

Throughout 2021/22, it became increasingly apparent that children and young people (CYP) had been amongst the most deeply affected by the pandemic, particularly in terms of their psychological health. In response to this, the Trust set a priority to address the physical healthcare needs and psychological needs of children and young people with equal importance.

This patient safety priority outlined that:

- The Quality Hub Team would continue to work closely with digital colleagues to develop digital solutions to ensure we can evidence that more holistic care and treatment are provided through our “Ask, Do, Record” process.
- The existing group of mental health champions would be enhanced.
- The recruitment of a Consultant Nurse and Nursing Associate posts would provide opportunity to improve holistic care and treatment across all services therefore supporting improved outcomes for our children, young people and families.

#### Key Achievements

Alder Hey has continued to lead the way nationally on work to ensure that children and young people receive a holistic service of care. Some key achievements in 2022/23 have included:

- The establishment of a Parity of Esteem Programme Board, with workstreams identified.
- The identification of restrictive practice as a Trust safety priority.
- A “We can talk” education resource has been identified and piloted.
- Work has also begun to establish a Suicide Prevention Group.

#### Aims and Next Steps

For 2023/24, we intend to continue work to establish cultural change in support of parity of esteem of mental and physical health in care given to children and young people.

We will:

- ▶ Continue to develop the evidencing of our “Ask, Do, Record” process, as detailed above.
- ▶ Continue to enhance and expand upon our mental health champions scheme.
- ▶ Evidence the improved outcomes of holistic care and treatment provided to children and young people as a result of the recruitment of a Consultant Nurse and Nursing Associate posts.

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We will also further prioritise addressing restrictive practice to ensure that staff are confident and knowledgeable in the practice of safe physical restraint. The following key driver metrics for this priority will be:

- ▶ 0 injuries to children and young people during restrictive intervention.
- ▶ 0 injuries to staff during restrictive intervention.
- ▶ Increase in reporting of incidents relating to cases of restrictive practice in care.
- ▶ Numbers of staff trained in the principles of the procedural management and practical skills of restrictive practice.
- ▶ Numbers of reports incidents of off-plan procedural management of restrictive practice.

## Incident Reporting and Learning

During 2022/23, whilst continually encouraging a strong reporting culture, the Trust's performance position in relation to incident reporting dipped slightly compared to previous years.

The most recently published data in October 2022, covering the period from April 2021 to March 2022, showed Alder Hey moved from third to fifth overall of acute specialist trusts in respect of the highest rate of incident reporting per 1,000 bed days.

The Trust moved from being the highest reporter to the second highest reporting paediatric Trust but achieved the shortest time between an incident occurring and being reported to NRLS when benchmarked nationally in line with peer organisations, with a mean of four days.

The Trust continues to display a positive safety culture and promotes an open, transparent incident reporting culture to prioritise immediate learning and ensure remedial actions are implemented and embedded, leading to changes in practice and improved services for children and young people.

The Trust continues to hold a weekly Patient Safety Meeting led by the Chief Nursing Officer via MS Teams which facilitates multidisciplinary attendance.

The Patient Safety Meeting is an open forum which demonstrates its ability to learn from when things don't go as planned and continuously improve its commitment to promoting a Trust-wide safety culture which is necessary for operating safely. Underpinning this meeting is the concept of a 'just culture'.

These meetings are well attended by a variety of clinical and non-clinical teams with a weekly learning bulletin shared Trust-wide following each meeting to disseminate key themes, messages, and good catches (near misses).

The Patient Safety Meeting promotes incident reporting and improves patient safety engagement by sharing lessons learned from incidents including incident investigations and never events to minimise risk of reoccurrence and celebrate learning from excellent practice.

During this year, the Trust's incident policies and procedures were further revised to support the Trust to deliver its strategic objectives and national priorities. In 2023 further review of our incident policies and procedures will be undertaken as we start to transition to the implementation of the National Patient Safety Strategy and Patient Safety Incident Response Framework (PSIRF).

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 2022/23, 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 assurance governance groups, to better drive the management, including mitigation of risks.

During the year regular monthly 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. Work has also continued to further develop the governance of risk processes thus providing assurance to the Trust board regarding the effective management of risk.

Training sessions continued 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.

As we start to transition to implementation of the National Patient Safety and Patient Safety Incident Response Framework (PSIRF) in 2023, the current risk and incident management system is not PSIRF compliant and would require significant development to achieve this.

The Trust are committed to providing a more modern and robust risk and incident management platform that is PSIRF compliant, will improve the functionality of reporting and management systems and further mitigate risks raised that could impact on patient safety or improve patient experience.

As a result, the current risk and incident management system, Ulysses will be replaced in April 2023 with a new system: 'InPhase'. Training will commence early April 2023 with data being extracted from Ulysses and migrated over to InPhase to allow reporting from the new solution.

## 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 and 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 2022/23 the Trust's programme of QAR's was again impacted similarly to 2021/22 as the Trust began transitioning back to business as usual following the COVID-19 pandemic. Whilst a full programme of quality assurance rounds was reinstated during 2022/23, they remained being held remotely and not as face-to-face meetings.



Key themes to emerge during 2022/23 were as follows:

- Service areas demonstrating achievements to support patient and staff safety, clinical effectiveness, responsiveness, caring and well-led across all areas visited.
- 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, with positive feedback noted in the 'Friends and Family' responses.
- QAR's continue to show that risks identified on the risk register particularly the high risks and those on the Board Assurance Framework are aligned to many of the issues identified in the QAR's.
- Increasing service delivery backlog because of COVID-19 pandemic, specifically but not limited to the mental health needs of children and young people adding additional pressures.
- All services have a clear vision for their service, which is aligned with the Trust's vision, in terms of building a healthier future for children, young people and their families.
- Excellent staff health and wellbeing support offered to employees.
- 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.
- Strong evidence and feedback of staff going above and beyond to care for children.
- Positive team culture and working together.
- Staff taking 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 continue 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 an open culture of reporting and learning from incidents.
- Strong leadership evidence demonstrated across services.

## Trust Governance Model

The Trust's well established integrated governance model has continued to support the Trust's commitment to be a clinically led organisation.

The devolved management 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.

The divisional directors for Medicine, Surgery, Community and Mental Health services and Research and Innovation 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.

Following the COVID-19 pandemic the model of integrated governance has continued to evolve and strengthen with oversight and support from the corporate level governance team enabling the divisional leads to deliver a quality driven service; this has 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 are crucial to the NHS's vision for the future of health and social care. Volunteering is a key enabler in transforming the way the NHS works with local people and communities.

## Alder Hey Volunteers

Volunteers do not substitute Alder Hey staff; they support and enhance our families/carers experience.

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 volunteers. This has included involving people who experience health inequalities. We are proud and privileged to have more than 200 volunteers working at Alder Hey. With the introduction of our Young Volunteer's Programme, we now have volunteers aged from 8-80 years. Volunteering has been identified as a way of improving physical and mental health, improving confidence, learning new skills and making friends.

## Benefits to the Trust

During 2022/23, the volunteering contribution to the Trust has been invaluable. 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. Our volunteers dedicated over 25,000 hours to the Trust providing companionship, play activities and staff support which enabled an improved patient experience. Results of the "Helpforce" evaluation as part of the "Volunteer to Career" programme identified each volunteer interaction as saving 27 minutes of clinical time – allowing staff to concentrate on delivering clinical care.

## Volunteer Roles 2022/23

### 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 year's winter pressures resulted in the highest attendance to the Emergency Department due to Strep A, COVID-19 and RSV; volunteers helped improve our patient experience and safety and supported our staff including their wellbeing.

### Hand Hygiene Stations

Volunteers have continued to operate and oversee hygiene stations to ensure all visitors and staff adhere to the Trust request to clean their hands when entering the hospital.



### Alder Hey Face Coverings

Volunteers ensure all hygiene stations are stocked daily with face masks for the use of all visitors and colleagues.



### Ronald MacDonald House

Families can use the Ronald MacDonald House and are welcome to use the Day Centre at the House where there is a television, toys, refreshments, a bath, and shower. Daily passes for RMH are available for families who are experiencing day long appointments or have a long wait for patient transport. Concierge and wards/departments contact volunteers who advise of this service and can also accompany families to the house for further support.

### Bleep Volunteers

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

### Smoking Advisors

Volunteers support our Smoking Cessation Team by signposting smokers to their services. Training is provided to our volunteers to support our “Smoke Free” policy.

### Concierge Service

Volunteers are trained to support our Concierge Team by answering enquiries, taking card payments for the car parking and providing an enhanced patient experience.

### Green Volunteers

As part of the development at Alder Hey we are creating a campus with a network of gardens. This gives Alder Hey the opportunity to create a series of green spaces to provide a wonderful environment for our children, families, staff and the local community. Volunteers with a special interest in this area are currently being recruited to maintain and tender the gardens, work with children, young people and families/carers and local schools to provide opportunities to use the green spaces for enjoyment and education; and assist the local community in looking after and developing the restored Springfield Park.

### Volunteer Mentors

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

### Mealtime Facilitator

Volunteers support breakfast, lunch, and dinner times – assisting the Housekeeper/HCA/Chef and ward staff to ensure the smooth running of mealtimes. They also provide company and support for any children and young people on their own. These volunteers spend time getting to know families who can be reassured to leave their child to have meals themselves if needed.

### Baby Cuddling

Launched on national television, volunteers are available to go to the ward to hold babies and engage with children and young people when families are not available. For many years the positive effect of human touch on infants has been clearly demonstrated. As well as cuddling babies, volunteers sing and tell stories to provide stimulation.

### Play Support

Our volunteers support the delivery of play activities to ensure all children and young people have the opportunity for play. Volunteers visit wards with a book trolley to encourage reading and engagement which can be requested via our “request a reader” service. Volunteers have attended bespoke Storytelling training to learn new methods and develop their skills. Volunteers offer atrium activities such as facepainting and games activity in the evening.

### Clinical Psychology 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 and play or read stories or a volunteer providing company and support for a carer/parent, going for a cup of tea, or familiarising themselves with the local area.

### Bedside Play

Social care students from Hope University will be supporting play after 4pm when health play service provision is not available to our inpatients. The aim of the scheme is twofold; the most important is that this activity helps improve the experience of our children and young people. Secondly, it will benefit these students as they will gain key volunteering skills on how to interact with children, a vital skill for future careers.

# ACHIEVEMENTS in 2022/23

## 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. Following completion of the project a full evaluation was completed which provided the following information:

- 70% of volunteers taking part went on to secure employment within the NHS or start a training course to lead to this.
- 70% of staff agreed that volunteers helped to improve the quality of service.
- 27 minutes of staff time saved per volunteer interaction.

VTC has now become embedded as business as usual with all volunteers being offered career development sessions.

## 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.

## National Volunteering Certificate

Alder Hey volunteers are now able to sign up to complete the recognised National Volunteering Certificate. This requires completion of the e-learning modules by Health Education England which offers standardised basic mandatory training, designed to be portable for volunteers in health and social care. The second element is completion of 60 hours volunteering. Once both steps are complete, they will be accredited and receive certification and a badge from NHSE Volunteering.

## Volunteers

Through being part of a successful bid with the Department for Culture, Media, and Sport, Alder Hey has created a "Volunteers" project. This innovative project seeks to expand the

range of volunteering roles open to our children and young people with a disability, whilst at the same time providing a solution to a wider problem. Volunteers will spend a session with our medical students who will directly benefit as it is recognised that their development and use of empathy can be promoted by learning through lived experiences.

## Young Volunteers

Alder Hey are the first NHS Trust to provide a Volunteer Programme for children and young people age from 8+. Children and young people undertaking volunteering related activities from a young age, with strong support in place, are more likely to develop a habit of lifelong service (A Habit of Service 2017 – Tom Harrison Birmingham University).

We currently have 10 young volunteers who have completed sessions during school holidays. This includes children and young people from schools within Liverpool and Wirral connecting us to our communities and local schools.

This group has taken part in a 15 Step Challenge and quality rounds. The feedback of their findings and perspectives are really important and are presented to Patient Experience and Engagement Group (PEEG) by the young volunteers via a video recording. They have learnt all about Infection Control, Pets as Therapy and what as a Trust we are doing about recycling. They have also identified the need for communication in different languages and formats as well as designing how the future of our Atrium might look like.

They spend time meeting and greeting which we hope will reduce anxiety, remove barriers, and allow an understanding of how visiting hospital and being "unwell" is a normal part of life.

## Volunteer Governor

We are pleased to say that John Ashton, a Welcomer and Volunteer at the Alder Centre, was elected to represent Staff, Other Staff and Trust Volunteers on the Trust's Council of Governors in this year's annual election round.

## Palliative Care Role

A role has been developed to provide support for children, young people and families/carers under the care of our Palliative Care Team. Referrals for support come directly from the Palliative Care Team who have identified those who would benefit from play and companionship from our volunteers.

Our volunteers have engaged with one young person and taught him to play chess. Another volunteer showed one young person to knit. Mini makeovers have been a regular activity. The Trust volunteer co-ordinator matches volunteer skills and experience to this sensitive role and extra emotional support is also provided for the Volunteer.

## Family and Friends Test

Volunteers play a key role in supporting the functionality of collecting and inputting all our feedback from Family and Friend's Test.

## PLACE Inspections

Volunteers take part in all our PLACE Lite and PLACE inspections and follow up the inspection ensuring highlighted concerns have been resolved.

## Advocacy

Volunteers visit all new admissions to provide information to ensure their stay is as comfortable as possible. This service familiarises our families with local surroundings, car park, Ronald Macdonald House, ward information booklets, emergency toiletries and the PALS office.

## A BIG THANK YOU



Volunteers continue to be an integral part of our 'Alder Hey Family'. Often the first person to meet all our visitors, children and young people, they set that first impression impeccably encouraging a trusted caring environment and positive patient experience. Those volunteers within in our wards and community provide both a helping hand to our staff colleagues and a shoulder of support and listening ear to our families.

Thank you to all our volunteers for all they give to Alder Hey - choosing to give their time freely is appreciated, valued and immeasurable.

## 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 ward or departmental 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. Parents and carers who raise a formal complaint are offered the opportunity to attend a meeting to resolve their concerns in addition to receiving a written response.

The table on the next page shows the number of formal complaints received was comparable to the previous years. The number of informal PALS concerns has significantly increased; this is largely associated with an increase in contacts in regards to appointment and treatment waiting times affected by the pandemic recovery and also an increase in demand for services such as mental health.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Formal Complaints</b>	134	70	66	83	121	114	159	158	155
<b>PALS</b>	1,133	1,246	1,294	1,349	1,371	1,279	915	1,524	1,903

The Trust aims to respond to concerns in a timely manner as we understand how important it is to families that their concerns are taken seriously, that they are fully supported, and appropriate action is taken as quickly as possible to resolve any issues.

A key quality improvement driver for 2022/23 was to improve compliance with the Trust policy to resolve informal PALS concerns within five working days, and formal complaints within 25 working days. The Trust made highly significant improvements with an average of an average of 83% of informal PALS concerns responded to within five working days (with a highest monthly average of 90%), and an average of 74% of formal complaints responded to within 25 working days (with a highest monthly average of 87% compliance). The whole team, including nursing, medical, operational, risk and governance, complaints and PALS, and Patient Experience, worked together collaboratively to ensure patients and families have received a timely, compassionate and supportive resolution to their concerns and are committed to improving still further. The Trust understands that timely management enables earlier identification of actions, lessons learned and potential improvements to benefit all of our patients and families.

## 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. Lessons learned and actions taken as a result of formal complaints and informal PALS concerns during the year include the following:

- Delays in appointments cause anxiety and worry. Accurate waiting times for appointments must be communicated to parents/carers. Parents/carers must be kept up to date with where they are up to on specific pathways such as ASD. Parents/carers must be informed of the process for escalating any concerns while waiting for an appointment. Increasing clinical symptoms must be taken into consideration whilst on the waiting list.
- Ensure correct contact details for the child or young person are noted at the start of every appointment so correspondence is received. Parent/carer telephone conversations must be recorded on the PAS system.
- Ward staff to contact the Learning Disability Team at the earliest opportunity to support a child with ASD on the ward. For patients with a learning disability and/or additional needs, consideration is needed in regard to transition and the impact this will have on the young person and their family/carers.
- Importance of the two-person bedside verification check to support the correct administration of medications and expressed breast milk.
- Parents should be fully informed of the details of any diagnosis and their understanding should be clarified. Test results must be delivered to families in a caring and compassionate manner.
- All discharge medications must be checked by two registered nurses to ensure dosage is correct before patient is discharged. In complex patients with many medications there may need to be added pharmacy input in checking all take home medications.
- For some medications there can be health implications when there is a break in administering medication; it is therefore important to seek clinical advice before putting a hold on a prescription request. Where the Trust is unable to meet the agreed timeframe for issuing prescriptions, it is important the parent/carer is notified of this and the reason for the delay and a plan agreed together.
- Referrals should be checked before being sent from Alder Hey to ensure they contain the correct patient information. Communication and direction from Alder Hey to district general hospitals must be clear.
- All colleagues to be aware of recent change in the safeguarding guidance that discussions should be held with parents more openly. Ensure the reason for making a referral to the Safeguarding Team is clearly communicated to families.
- Information governance issues raised by patients and families should be investigated immediately and they should be contacted with assurance the issue has been resolved. Where an Access to Health Records request cannot be completed on time or for any reason cannot be fulfilled, this must be communicated to the requester as soon as possible.
- Any personal belongings left in cubicle during discharge or transfer to be placed in a labelled bag and stored in the Ward Managers office while arrangements made with the family to collect.



“  
**The Trust is proud of the achievements we have made this year to support children, young people and families**  
 ”

**Actions:**

- New post adoption Standard Operating Procedure devised and implemented.
- The speech and language clinical pathway relating to children and young people with Down’s Syndrome reviewed, with parents/ carers consulted as part of the review.
- A process to review children’s referral in the Community Speech and Language Therapy service if they have waited over the standard 18 weeks has been trialled and implemented.
- The MRI Checklist now includes a section for staff to complete to ensure that all medication patches are removed prior to a scan taking place.
- Breastfeeding Policy reviewed to ensure clarity of checking process to minimise the risk of incorrect expressed breast milk being given.
- Training sessions set up regarding the completion of NIPE (Newborn and Infant Physical Examination) newborn screening in a timely manner.
- Additional training sessions set up for the administration of TPN (Total Parenteral Nutrition).
- Information board devised for parents and staff regarding cleft lip and palate.
- The Emergency Department has increased the stock of fracture boot sizes available.

**Action Relating to a Theme**

There has been a theme in a number of the concerns raised relating to appointments including appointment errors which has resulted in a poor patient and family experience and also a wasted appointment slot. As a result, the Community and Mental Health Division has set out the ‘5 Rights of Appointments’ where all staff involved in appointments check to ensure:

- The right patient
- The right clinic location
- The right date and time
- The right type of appointment (face to face; Attend Anywhere; telephone)
- The right clinician

A 15-point action plan has been developed with 15 actions covering training, creation of ‘how to’ guides and amendments to electronic patient record systems.

**Improvements in 2022/23**

A review of the structure, responsibilities and process for management of complaints and PALS in the Trust was undertaken resulting in improved response times to formal complaints and informal PALS concerns.

A new Complaints and Concerns Policy was devised and implemented in 2022/23 which was significantly strengthened to set out:

- The rights of children and young people to raise concerns.
- The importance of the first contact resolution principle for concerns raised at local level.
- Supporting staff involved in complaints.
- Supporting complainants including concerns for their health and wellbeing.
- The importance of learning lessons, disseminating the learning, taking appropriate action and making improvements and monitoring actions to completion.
- The purpose and importance of the initial risk assessment process.

A Quality Ward Round was undertaken to ascertain the views of children, young people, their families and the staff to further understand what information they would like, to understand how staff manage local concerns and to ascertain what information is available on the wards. This led to the development of a QR code to enable children and young people to raise an issue and a training needs analysis for staff.

An online feedback mechanism was devised and implemented for complainants to share feedback regarding their experience of the management and response to their complaint.

Risk assessment training was delivered for Complaints and PALS and governance leads to assess the risk of formal complaints and identify actions that may be required to address the emerging risks. The importance and process for risk assessing complaints has been addressed in the new Complaints and Concerns Policy.

The Trust is proud of the achievements we have made this year to support children, young people and families to raise concerns and to help resolve any issues and we are committed to improving still further in the coming year.

# 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 'Places' (previously known as 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 2022/23 the Cheshire and Merseyside integrated care system partnered with Alder Hey to establish the new 'Beyond' Children and Young People's Transformation Programme; this has a wide range of local authority, health and voluntary/community sector 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 2022/23, Alder Hey continued to work in partnership with commissioners and health and care providers on the 'One Liverpool Plan', which incorporates a clear focus on healthier 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 established partnership working with Liverpool City Council's Public Health Team, initially through a joint public health appointment with a shared associated workplan focused on prevention and addressing the wider determinants of health and subsequently through joint leadership of the healthy children and families cohort. 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 2022/23, 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 North West 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.



## **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 (RMCH) 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 annual clinical network events 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:

- 'Beyond' the 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 (CMAST) 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 (DICH) has continued to support the Trust to strengthen its position as an internationally recognised children's Trust of excellence.

The Department is led by Professor Barry Pizer and Miss Sian Falder and focuses on six key themes: international health partnerships, humanitarian work, commercial/business development, education and training and research and innovation with an aim for International Child Health to be a core aspect of what we do at Alder Hey.

The Department of International Child Health will be the face of Alder Hey's international strategy, providing the focal hub which links together all the forms of international working at Alder Hey.

Towards the end of 2021 it was recognised that the DICH needed a reboot as we came out of the COVID-19 pandemic. A new Department has been created with revised membership and organogram and new Terms of Reference.

Notable additions to the group include representatives from the Executive/Board and Alder Hey Children's Charity. Our meetings have been extremely positive and clearly there is a collective desire to develop the Department and take forward and expand Alder Hey's international activities with clear benefit to the world's children and the staff at Alder Hey.

We have developed a clear two-year plan with clear achievables allied to a specific communications strategy. This will interweave with the international component of the Trust's overarching 2030 strategy as well as those for individual departments including Academy, Research, Innovation.

We will continue to support visits by international clinicians to Alder Hey and to act as resource and support for individuals/teams undertaking or planning overseas work.

The existing health partnerships will be strengthened. These include an expanding partnership with Kenya in paediatric cardiology, respiratory medicine, public health and nutrition. There are two established projects in children's cancer; Nepal in collaboration with World Child Cancer and supported by a Department of Health grant and a project led by Lady Janet Boateng to build a children's cancer Centre of Excellence in Accra, Ghana. Professor Atif Rahman's world leading research into child and maternal mental health continues as does Professor Melissa Gladstone's outstanding international work in Child Development and neuro-disability. Our new Emergency Department consultant Hany Rageb comes with established partnerships in Sierra Leone and South Africa. The Department is very happy to support new collaborative ventures.

# The Alder Hey Academy

The Alder Hey Academy focuses on all things learning, education and opportunity related, ensuring that both current and future staff have the knowledge, skills and confidence to undertake their roles effectively. Since 2021, the Academy has included Medical Education; Clinical Education; Learning and Development; Apprenticeships as well as Events and our Vocational Programmes and Schools and Colleges Out-Reach.

Much of our work requires us to work in partnership and during the year we were delighted to establish several new partnerships and to extend some of our existing collaborations to expand opportunities for staff and/or those looking to move into careers in the health sector. Highlights include:

## New partnerships with:

- The Prince's Trust – supporting young people from across the City into work in the health sector through an innovative scheme involving new ways of working between the Prince's Trust and NHS Providers.
- Liverpool Hope University - offering targeted placement opportunities to students undertaking a Childhood and Youth Degree.
- The Robbie Fowler Education and Football Academy (FEFA) - providing placement opportunities for students undertaking Level 3 qualifications in Health & Social Care.
- The North West Imaging Academy and Health Education England to establish a Radiology Hub on the Alder Hey site, supporting the expansion of professional development opportunities within Imaging across the North West and beyond.
- Edge Hill University to offer an internship opportunity in Animation linked to our Schools and Colleges Programme.
- Extension of our academic partnership with Edge Hill University to offer postgraduate modules and awards in High Dependency Care and Critical Care.
- Seven new providers commissioned to deliver an expanded programme of apprenticeships.
- Collaboration with Elevate Business Partnership to deliver targeted NHS careers advice/ sessions to schools and colleges across the City.



As a major provider of education and training for doctors, nurses and allied health professionals we continue to partner with a number of universities and other education providers to offer a range of learning opportunities for pre and post registration students as well as offering placements, work experience and observerships to those at different stages in their career. In 22/23 we welcomed over 400 trainee doctors and clinical fellows to Alder Hey and we also offered placements to over 800 medical students (Years 3-5) as well as to more than 900 nursing and allied health students from our local universities. We were also delighted to be able to resume work experience and BTEC placements (pictured) following a suspension of these during the COVID-19 pandemic, and this is an area we will be looking to expand further during 2023/24.

Ensuring we provide high quality learning opportunities is a key focus for us and during the year we implemented a number of actions to enhance students/trainees experience whilst at Alder Hey, many of which focused on technology enhanced learning and/or wellbeing and development. Our new wellbeing leads (introduced to provide enhanced support to trainees) have been particularly valued and through a roll out of the Supportive Coaching in Practice (SCiP) model, all pre-registration nursing students have been empowered to lead their own learning under the support of a coach. This model enables learners to develop multiple skills including: - workload prioritisation, leadership, teamworking and communication. Wider actions have included annual study days; the roll out of the Professional Nurse Advocate (PNA) Framework; a review of the support provided to international recruits (leading to our being awarded the NHS Pastoral Support Quality Award (PSQA)); a refresh of the Band 5 development pathway and a review of undergraduate





medical student induction and experience. Across Alder Hey we use a range of technologies to support learning and our newly established Simulation Special Interest Group (SIM-SIG) brings together those with experience of and/or an interest in simulation, with the aim of promoting and extending our simulation programme in 2023/24.

As a large employer with an ethical and social responsibility within the Liverpool City Region (LCR), expanding our Apprenticeship offer is a key focus for us and in 22/23 we saw a 19% increase in the number of new staff joining the Trust as an Apprentice. We currently have 220 staff on apprenticeship programmes and work with 29 apprenticeship training providers across the North West and beyond to offer qualifications in over 30 different areas. Subjects include Healthcare Support Worker, Healthcare Play Specialist Business Administration, Digital User Experience Professional, Social Worker, Physiotherapist and Registered Nurse Degree Apprentice. Our apprenticeship information, advice and guidance (IAG) process ensures that both managers and apprentices receive high quality support, and we are continually working with divisional leads to understand workforce gaps and to support career pathways and future job opportunities through apprenticeships. Ensuring effective IAG is a core aspect to our Apprentice Service, and we were delighted to be awarded the international Matrix Standard in 2022/23 for the quality of our IAG provision. Matrix is the international quality standard for organisations that deliver information, advice and/or guidance either as their sole purpose or as part of their wider service offer and achieving the Standard involves an agreed assessment process where the quality and delivery of information and advice is assessed against four main elements (leadership and management; resources; service delivery; and continuous quality improvement) encompassing 27 different criteria. We are the first NHS Trust to be awarded Matrix accreditation for our IAG service, which is testament to our approach in this area.

2022/23 was the first-year post-COVID-19 that the Academy Events Team were able to host large scale international events on-site as well as regional/local conferences and networking opportunities utilising the Institute in the Park and its state-of-the-art conference

and simulation facilities. We were delighted to welcome the National Practical Course in Paediatric Otolaryngology (NPCPO), which saw over 100 participants from the UK and internationally take part in a two-day practical event in areas such as balloon sinusplasty and paediatric tracheostomy. The 4th Annual Alder Hey Vestibular Course attracted both international speakers and delegates from as far afield as India and Singapore. Practical sessions in central eye movement, testing and assessment provided the opportunity for delegates to put knowledge into practice.

Our in-house leadership development programme 'Strong Foundations', rooted in psychology around understanding self and others, continues to be both popular and successful across all levels of the organisation. As we reach the end of 2022-23, over 400 staff have attended the programme across 25 cohorts and we have over 130 staff on the waiting list (reflecting the programme's reputation and excellent feedback). In addition, we have continued to offer individual support including coaching, mentoring and 360 feedback to provide support when it is needed most for our leaders and worked with them and their teams to facilitate sessions focused on roles and responsibilities, resilience and team functionality.



During 2022/23 we rolled out a new offering in Insights Discovery, a tool that helps people understand

themselves and their colleagues so that they can have more respectful, productive and positive working relationships, even across virtual boundaries. So far, almost 250 staff have taken part in our Insights workshops, and we have witnessed some fantastic examples of staff using it in their daily working practice to improve relationships and team dynamics.

The Team has also spent time ensuring that our offerings are visible to staff across the Trust, creating a 60-page prospectus highlighting our most popular offerings and utilising our new Intranet events pages to showcase courses staff can book on to.



Along with the return to face-to-face inductions, we have overhauled our new starter

experience. Working closely with recent new starters, recruiting managers and other key stakeholders across the Trust, a 15-point plan for improving the new starter experience was established to ensure that all new starters feel valued, prepared for, supported, and welcomed into the Trust. A key change being that induction is no longer viewed as a singular event but rather a period of time from the moment new colleagues accept their offer of employment and focuses on their first 100 days with Alder Hey. We also delivered substantial changes in how PDRs are managed, moving away from a time 'window' and into a full calendar year to allow managers the time to have truly effective conversations with their staff. We have seen improvements in the quality of the conversations being reported through our annual staff survey and over 98% of our Senior Leaders have had a PDR this year and we have achieved our 90+% completion target overall.

Our Learning and Development Team has also worked tirelessly with divisional leads, HR colleagues and subject matter experts to deliver on our requirement to ensure our staff are compliant with mandatory training, notwithstanding the operational challenges of industrial action, embedding different ways of working and managing the demands on our services this year, consistently exceeding our 90% target.



Reflecting our role as an anchor organisation within the city and given the need to attract talent from across a wide range of communities we have been working with internal and external partners on a major refresh of our vocational, schools and colleges programmes. Alder Hey is well placed to impact local residents' health through the way we interact with local communities and our local economy, and we have introduced number of new programmes during the year. Participation in work-based

**“ We also delivered substantial changes in how PDRs are managed, moving away from a time ‘window’ and into a full calendar year to allow managers the time to have truly effective conversations with their staff ”**

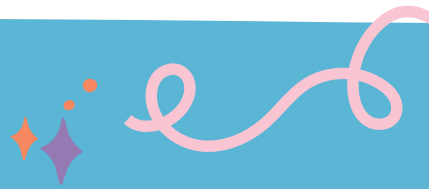
learning experiences, such as internships and other similar programmes, can be integral to young people's success in gaining employment and we were delighted to launch a new supported Internship Programme in 2022/23, working in conjunction with Liverpool City Council, DfN Project Search and the Royal Liverpool University Foundation NHS Trust. 12 young people are currently on the programme, which sees them develop skills across a range of placement areas during the year, with the aim of securing employment at the end of the Programme.

In addition, our Young Volunteers Programme for those with a disability and/or long-term health condition has seen pupils from local schools/alternative providers take on a range of volunteering roles within the Academy. Having excelled in these roles, they are now considering wider opportunities both in the Academy and across Alder Hey.

We also want to kickstart young people's awareness of the wide range of roles in the NHS,



at a point when children first start to consider their career choices, and to highlight how multi-faceted this dynamic sector is. Our Inspiring Futures Programme has seen us working with children and young people from across the city in new and innovative ways – with a recent event involving 61 primary school classes taking part in a Zoom call as part of the Children's University Masterclass series. Centre stage at this event was a short animation created by our Digital Animation Intern, showcasing some of the different roles in the NHS and the people who do them.



# LEARNING, EDUCATION & OPPORTUNITY

## 2022/23 Highlights

### 01

#### SUPPORTING OUR STAFF

- refreshed induction
- more than 400 staff completed Strong Foundations
- New Insights programme launched
- > 90% of PDRs completed
- Mandatory training > 90%
- increased range of personal & professional development courses offered
- Practice Experience Recognition Certificate (PERC) launched to support recruitment into nursing
- rotation pathway in place for all newly qualified nurses
- New simulation special interest group (SIM-SIG) launched

### 02

#### INCREASING APPRENTICESHIPS



- 220 staff currently on an apprenticeship
- working with 29 different training providers
- opportunities to study more than 30 different subjects
- Some of our levy is 'gifted' to range of other local organisations

### 03

#### SUPPORTING THE DEVELOPMENT OF THE WIDER WORKFORCE

- 900+ Nursing & AHP students
- 800+ Medical students
- 400 Trainees
- 122 Work experience students
- 30 BTEC students
- International events and networking opportunities



### 04

#### LOCAL IMPACT



- More than 70 young adults supported to find work through new Prince's Trust collaboration
- Careers focused talks to over 1,000 children and young people
- New supported Internship programme launched
- New Young Volunteer Programme up and running
- Careers Resource Pack for Primary Schools launched



## 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 2022, the beginning of the main phase of Springfield Park reinstatement and the launch/completion of a suite of new Alder Hey developments.

### Catkin and Sunflower Centres

In 2022 we completed the Catkin Centre. The new Centre houses child and adolescent mental health and neurodevelopmental outpatient services. Catkin’s sister building, Sunflower House, is a purpose-built Tier 4 children’s mental health unit. Featuring 12 inpatient beds and a range of outpatient and daycare services, Sunflower House opened in May 2023.



Both of these buildings have been designed to provide a green and friendly environment for children, families and staff. The buildings use natural materials such as timber and provide views and connections to the surrounding park.

### Expansion of Neonatal Service

Construction has started on a new Neonatal wing to the main Alder Hey Hospital building. The new unit aims to set the standard for neonatal service design. Development has been overseen/inspired by a multi-disciplinary team from the Liverpool Women’s Hospital and Alder Hey. 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 new wing is due to open in 2025.

### Social Prescribing

A range of social prescribing activity on the campus was developed in 2022 including Forest School activities. The hub for this activity will be a base camp for which funding has been secured from Alder Hey Children’s Charity. This base camp will be installed in 2023.

### Other Developments

A range of other developments were put into the planning stage in 2022 including an elective hub based in the main hospital and an eating disorders service planned for Waterloo.

### Alder Hey Children’s Charity

The ongoing support of our Charity changes lives every day here at Alder Hey. Charitable donations help us to fund innovation, cutting edge equipment for our superb clinicians and vital research to ensure positive outcomes now and into the future. It also means every child and young person coming through our doors feels the Alder Hey ‘magic’ – the added extras that make the hospital experience the best it can be for our patients, their families and our staff. In the past year supporters have helped us raise over £7.8 million with the Charity spending £5.4 million on charitable activity in 2022/23.

### Charitable Funding

The Charity provides funding for a wide range of projects and initiatives – ranging from as little as £100 when required to much larger amounts for significant projects. Our current Neonatal Appeal is aiming to raise £3m for enhancements towards our brand new Surgical Neonatal Unit. Alder Hey has always pioneered neonatal care - opening the world’s first Surgical Neonatal Unit in 1953. This new Unit will offer 22 neonatal cots and will feature 18 individual family rooms where parents can be alongside their poorly newborns whilst they’re receiving expert care. This is a first of its kind in the UK.

The Unit will address a shared concern between Liverpool Women’s Hospital and Alder Hey (as the Liverpool Neonatal Partnership) that babies who need specialist surgery currently have to be transferred to Alder Hey to get the care they need and are then transferred back to Liverpool Women’s Hospital to continue their neonatal care, sometimes several times before being discharged.



The new facility is costing around £26m to build with the Charity Appeal aiming to contribute up to £3m and is due to open in 2025.

Donations will help us to provide ‘over and above’ enhancements and equipment for both the clinical space and family areas, elevating the Surgical Neonatal Unit from a facility that provides families with a safe and secure environment for their newborns, to a truly world-class facility that wraps-around families with the most vulnerable babies in the region. Specialist neonatal staff from Liverpool Women’s Hospital will work alongside Alder Hey staff at the new NICU ensuring that poorly babies are transferred between the two hospitals as little as possible.

In September 2022 the work was completed on our new mental health unit – Sunflower House and the Catkin Building. The Charity’s 7in10 Appeal helped secure £3m in additional funding to ensure the Unit was child friendly, a real home from home for the young people attending. Located right next door to our state-of-the art specialist hospital, and surrounded by our award winning Chelsea Flower Show garden, the modern, child-friendly building offering an enhanced provision of mental health services will increase available inpatient bed capacity and enable more children and young people to be seen and treated quickly by experienced, specialist clinicians.

Patients and their families will receive rapid and early access to co-ordinated multi-disciplinary care, benefitting from the most up to date assessment and diagnosis facilities. The development also enables Alder Hey’s community services to link more closely with our specialist hospital services, enhancing care for children with long term conditions such as neurology, cardiology and infectious diseases.

These large, headline grabbing projects have a huge impact on our communities and will offer improvements to services



for decades to come. However, our charitable funding does not only cover projects like this. Our Charity funds a massive range of smaller projects too; projects that have daily impacts on our young patients, supporting our staff, volunteers and families 365 days a year.

£100 enabled 1C to purchase a new Play Kitchen to provide fun distraction and the opportunity for young children to enjoy role play games during their stay on the ward.

£300 was given to purchase elf suits for volunteers to bring fun and entertainment to patients over the festive season.

£850 was granted to purchase 1,000 A5 journals for patients and their families, to help with emotionally processing their hospital stay, progress of treatment and to aid with trauma recovery.



£1,381 was needed to upgrade our Sensory Area for children in A&E. This will help those children with additional needs and those with anxiety feel calmer, happier and distracted whilst awaiting medical intervention which

can often take longer during busy periods. This safe space is a comforting area which is quiet and provides stimulation to our patients.

£1,800 meant that our infant feeding nurses can now offer a specialist breast pump and a small fridge for the storage of expressed milk, encouraging breastfeeding and giving tiny babies the best start in life.



£2,000 was asked for to buy ‘Worry Monsters’ for over 160 children and young people. These plush toys actively promote positive play and aid therapeutic intervention for scared and anxious children and young people. Used as part of preparation for treatment and distraction therapy, the Worry Monsters will, in many cases, become part of the child’s medical journey.

£5,922 has facilitated digital play for children and young people, from ‘Rockin R’ specialist Xbox carts to consoles and computer games. These are particularly valuable as a therapeutic play intervention and distraction for teenagers in our care.

£6,050 funded a Sensory Voyager, providing portable sensory equipment for children on our Neurology Ward.

£6,500 funded a research study into the assessment of long-term outcomes of children with Hirschsprung’s Disease and anorectal malformations (ALPHA). This is essential for giving clinicians a better understanding of the issues that affect children and their families when they are born with Hirschsprung’s Disease or an Anorectal Malformation. It will enable operative and medical techniques to be evaluated and can also be used to empower patients to set their own goals for therapy in a realistic but achievable way.

£7,788 was needed and granted to purchase adaptable seating for Occupational Therapy patients. Without this specialist seating children would spend more time in bed, experience reduced engagement in all aspects of daily living, prolonged recovery time and a lack of social interaction. The seating improves their ability to feed, wash and engage in play, helping children to develop key skills and independence.

£8,000 offered families supported by our Snowdrop Team, who are facing or experiencing the death of a child, the opportunity for memory making, including silver charms of their child's hand or footprint, personalised plates, art canvases and memory boxes.

£9,980 was all that was needed to deliver a 10-month programme of regular dance, movement, and relaxation sessions for children on the Cardiac and Neuro Rehabilitation units, as well as follow up sessions at home, where patients continue to receive full time Alder Hey nursing support.

£15,300 funds the provision of our resident entertainer at Alder Hey. A full-time professional entertainer, Barrington brings his experience and expertise to create laughter and fun for our children and young people, using magic tricks, balloon art and providing a bespoke experience for each child he meets.

£21,375 to help recruit an Eye Clinic Liaison Officer at Alder Hey, to provide free practical and emotional support for children who have been diagnosed with sight loss and their families.

£27,877 has helped to part fund an Arts Therapist at Alder Hey, in partnership with The Teapot Trust. The opportunity to access Art Therapy sessions is great for children and young people who have previously struggled to engage with traditional talking therapies. By using different ways of communicating feelings and emotions, Art Therapy can often act as a steppingstone to other support available through the Clinical Health Psychology Team.

“ I’ve never seen her so happy, she is still telling people about the session and demonstrating the dance movements. She has told the physio all about it. It has been brilliant because she wanted to go to drama school and it will also help with her memory too, as she has been going through the dance moves in her head. It has opened up my eyes to what dance could be, beyond tap or ballet – this has given her physio in a different format. ”  
- Senior Play Specialist



£30,000 bought play and craft resources to be used by patients across our hospital. These items help create distraction for our children allowing them to have fun during their stay with us and ensuring that they continue to experience creative childhood activities, even when they're poorly.

£55,000 delivered our Music Matters project for long-term patients, bringing professional musicians to our wards to facilitate child-led participatory music sessions.

£100,700 is helping to develop a social prescribing Base Camp, enabling access to a wide range of outdoor art and nature-based activities in a bespoke 'dome' to support our CAMHS patients.

## 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 have raised incredible amounts for our brave young patients, despite the looming cost of living crisis, via one off donations or through a huge range of activities, including our Coniston Challenge, Snowdon at Night climb and our every popular Oli Safari Walk.

In addition, we are incredibly grateful to our volunteers who have supported us again this year, both in our charity shops on a regular basis and also at all our events, making them a magical experience for all involved.

We are also grateful for the support of charitable trusts, foundations, philanthropic donors and the 3,250 people who give to us regularly by direct debit each month. Legacy support via gifts in wills creates a lasting impact for our families and we have seen a rise in gifts as well as pledges, for which we are very thankful.

Thanks so much to everyone who donates in their own way, financial and via our shops, for supporters who play our lottery, our volunteers who come and support us at our events and in our retail shops, 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 our

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.

Having launched our Neonatal Appeal, our Charity will be working hard to complete the appeal successfully to ensure that the building can be everything it needs to be to support families across the region.

The Charity has also looked at four pillars 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. As a result, it has made some small changes to the areas it covers, including adding one:

### Equipment

Our Charity funds lifesaving and advanced specification equipment, cutting edge tech and distraction innovations to help Alder Hey clinicians do the very best for our patients.

### Research, Innovation and Education

Alder Hey builds strong partnerships and works with leading innovators to constantly push the boundaries of what is possible. We invest to drive research excellence. Donations can support patients at Alder Hey and help to make the future brighter for children around the world though our support of today's innovators and the education of tomorrow's leaders.

### Campus and Community

Our Charity is helping to create the best possible environment to ensure bright futures for children across our health care campus and via outreach across our communities. We work with organisations to focus on prevention and early intervention and to reduce the impact of social inequalities on families.

### Alder Hey Magic

Alder Hey Children's Charity is committed to going above and beyond what is available on our hard-working NHS. From ward musicians and arts workshops to the latest distraction technology in clinical areas, we strive to provide the best patient experience possible for all our children. We call it the 'Alder Hey magic'.

### Advocacy

We are committed to making change and amplifying voices that have the potential to create brighter futures for all children. Utilising the vital research, innovative work and projects we fund, along with the partners we work with, Alder Hey Children's Charity drives to influence positive change for the next generations to come.

# 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 2022/23

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 (to June 2022)
- 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
- Non-Executive Director Jo Revill (from Oct 2022)
- Non-Executive Director John Kelly (from Sept 2022)

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 four times during the year: May 2022, October 2022, December 2022 and March 2023. All meetings were quorate. The following items of business were approved and supported:

- Agreement to award a national cost of living increase for very senior managers (VSM's), in line with national guidance.
- Acting CMO remuneration.
- Substantive CMO remuneration package.

- Discussion regarding the respective roles, responsibilities and remuneration of the Chief Executive Officer and the Deputy Chief Executive Officer as a result of the proposed strategy delivery model and supporting governance arrangements.

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

## Remuneration Committee Attendance 2022/23

Member	May 2022	Oct 2022	Decemr 2022	March 2023
Dame Jo Williams	✓ (Chair)	✓ (Chair)	✓ (Chair)	✓ (Chair)
Ian Quinlan	✓	✓	✗	✓
Anita Marsland	✓	n/a	n/a	n/a
John Kelly	n/a	✗	✓	✗
Shalni Arora	✓	✓	✓	✓
Fiona Marston	✗	n/a	n/a	n/a
Kerry Byrne	✓	✓	✓	✓
Fiona Beveridge	✗	✓	✓	✗
Garth Dallas	✓	✓	✓	✓
Jo Revill	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	✓	✓	✗	On a case by case basis	✓	✗	On a case by case basis

Pay in lieu of pension will be considered on a case-by-case basis; there is one Senior Manager 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 three 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, the Chief Medical Officer and the Director of Research and Innovation. 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 (Acting or Vice 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 short-listing 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 2022/23 there were a total of 26 board directors in post. Of these, twenty individuals claimed £19,920 in expenses; for 2021/22 the figures

were 18 directors claiming £2,195 in expenses.

In the year there were 29 governors in office. The total amount of expenses paid to governors in 2022/23 was £1,340, whereas in 2021/22 governors claimed £0.

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 2022/23 was £200k-205k, versus £190k-195k for 2021/22. This is a change between years of 5.1%.

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 2022/23 was from £1,197.70 to £247,820.91 (2021/22 £564.70 to £218,051.08). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 5.03%. Four employees received remuneration in excess of the highest-paid Director in 2022/23 of 4,236 employees.

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.

	2022/23			2021/2022		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Salary Component of Pay	£202,500	£202,500	£202,500	£192,500	£192,500	£192,500
Total Pay and Benefits Excluding Pension Benefits	£29,115	£41,896	£55,696	£27,427	£39,316	£52,226
Pay and Benefits Excluding Pension: Pay Ratio for Highest Paid Director	6.96:1	4.83:1	3.64:1	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*

**LOUISE SHEPHERD CBE**

Chief Executive  
27th June 2023

# Salary and Pension Entitlements of Senior Managers

## Total Remuneration

Name	Title	2022/23					2021/2022				
		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	200-205	30,700	0	0	230-235	190-195	25,700	0	15-15.5	235-240
John Grinnell	Deputy CEO/ Director of Finance	150-155	0	0	35-37.5	190-195	155-160	800	0	22.5-25	180-185
Nathan Askew	Chief Nursing Officer	120-125	0	0	37.5-40	160-165	115-120	0	0	52.5-55	170-175
Nicola Murdock	Medical Director	0	0	0	0	0	190-195	0	0	0	190-195
Alfie Bass	Chief Medical Director	200-205	23,100	0	0	225-230	45-50	4,500	0	0	55-60
Melissa Swindell	Chief People Officer	115-120	0	0	27.5-30	140-145	115-120	0	0	22.5-30	135-140
Adam Bateman	Chief Operating Officer	125-130	100	0	25-27.5	150-155	125-130	200	0	35-37.5	160-165
Dame Jo Williams	Chair (R)	35-40	2,200	0	0	40-45	35-40	600	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)	5-10	0	0	0	5-10	10-15	0	0	0	10-15
Claire Dove	Non-Executive Director (R)	0	0	0	0	0	5-10	0	0	0	5-10
Ian Quinlan	Non-Executive Director (R)	15-20	800	0	0	15-20	15-20	0	0	0	15-20
John Kelly	Non-Executive Director (R)	5-10	0	0	0	5-10					

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
Kerry Byrne	Non-Executive Director (R) (A)	15-20	0	0	0	15-20	15-20	0	0	0	15-20
Anita Marsland	Non-Executive Director (R) (A)	0-5	0	0	0	0-5	15-20	0	0	0	15-20
Garth Dallas	Non-Executive Director (R) (A)	10-15	0	0	0-2.5	10-15	0-5	0	0	0	0-5
Jo Revill	Non-Executive Director (R) (A)	5-10	0	0	0	5-10					
Erica Saunders	Director of Corporate Affairs	110-115	100	0	27.5-30	140-145	110-115	0	0	12.5-15	120-125
Mark Flannagan	Director of Communications & Marketing	105-110	200	0	25-27.5	130.135	100-105	0	0	25-27.5	130-135
Kate Warriner	Chief Digital & Information Officer	125-130	400	0	30-32.5	155-160	120-125	0	0	40-42.5	165-170
Dani Jones	Director of Strategy & Partnerships	110-115	100	0	27.5-30	135-140	115-120	0	0	37.5-40	155-160

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

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

- Louise Shepherd chose not to be covered by the pension arrangements during the reporting period but takes part in the Trust's Pension Contribution Alternative Award Scheme. The figure in the taxable benefits relates to the respective pensions restructuring payments from the scheme that they received during 2022/23.
- Nicola Murdock, Medical Director left employment on 29/01/2022.
- Alfie Bass, Chief Medical Officer chose not to be covered by the pension arrangements during the reporting period but takes part in the Trust's Pension Contribution Alternative Award Scheme. The figure in the taxable benefits relates to the respective pensions restructuring payments from the scheme that they received during 2022/23. Mr. Bass' salary relates to his role as Medical Director and also his clinical role which he undertakes at the Trust.
- 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.
- John Kelly, Non-Executive Director commenced in role 01/09/2022. John was paid an incorrect amount in September and October, and recovery of this happened in March, the remaining value of the recovery was taken in April 2023.
- Anita Marsland, Non-Executive Director left role 30/06/2022.
- Garth Dallas, Non-Executive Director was incorrectly automatically enrolled into the NHS Pension Scheme, this will be corrected in 2023/24.
- Jo Revill, Non-Executive Director commenced in role 01/10/2022.

## 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 2023 (Bands of £5,000) £000s	Lump Sum at Age 60 Related to Pension at 31 March 2023 (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 2023 £000s	Employer's Contribution to Stakeholder Pension £000s
Louise Shepherd Chief Executive	0.00	0.00	0.00	0.00	0	0	0	0
John Grinnell Deputy CEO/ Director of Finance	2.5-5	0-2.5	45-50	80-85	709	30	780	0
Nathan Askew Chief Nursing Officer	2.5-5	0-2.5	30-35	50-55	403	22	454	0
Melissa Swindell Chief People Officer	0-2.5	0-2.5	30-35	50-55	493	23	545	0
Erica Saunders Director of Corporate Affairs	0-2.5	0-2.5	45-50	90-95	854	37	932	0
Mark Flannagan Director of Communications and Marketing	0-2.5	0-2.5	10-15	0-5	142	21	181	0
Kate Warriner Chief Digital & Information Officer	0-2.5	0-2.5	30-35	50-55	388	15	432	0
Adam Bateman Chief Operating Officer	0-2.5	0-2.5	30-35	40-45	340	10	377	0
Dani Jones Director of Strategy	0-2.5	0-2.5	30-35	45-50	374	15	416	0

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

As non-executive directors do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive directors.

- Louise Shepherd, Chief Executive chose not to be covered by the pension arrangements during the reporting year.
- Alfie Bass, Chief Medical Officer Clinical Director 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 with an overall improvement in both patient care and staff experience. Our staff are our community and we recognise the importance of ensuring our workforce is representative of our local population.

Since the inception of the Trust's Black, Asian and Minority Ethnic (BAME) Inclusion Taskforce, the Taskforce has facilitated numerous changes across the organisation which include:

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

Each of the networks has a designated Chair and Deputy Chair, with monthly protected paid time allocated to them. All network chairs are members of the Trust Equality, Diversity, and Inclusion Steering Group chaired by a Non-Executive Director.

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 2022/23 was 15.2% and the table below shows this breakdown per staff group.

Staff Group	Leaver Headcount	Turnover % by Headcount
Additional Professional Scientific and Technical	56	1.35%
Additional Clinical Services	85	2.05%
Administrative and Clerical	170	4.09%
Allied Health Professionals	49	1.18%
Estates and Ancillary	27	0.65%
Healthcare Scientists	15	0.36%
Medical and Dental	72	1.73%
Nursing and Midwifery Registered	158	3.80%
<b>Grand Total</b>	<b>632</b>	<b>15.22%</b>

The Trust has seen a year-on-year increase in turnover across most staff groups since the pandemic. The biggest increase in staff turnover this year compared to 2021/22 was within the Administrative and Clerical Staff Group followed by the Medical and Dental Staff Group.

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 2023 gender pay gap report, reporting for the year 2022 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	5	5
Senior Managers	4	7
Employees	701	3,514

Analysis of Trust staff by type and cost during the year 2022/23 is set out in the table below, together with a comparison with 2021/22:

	Total 2022/23 No.	Permanent 2022/23 No.	Other 2022/23 No.	Total 2021/22 No.	Permanent 2021/22 No.	Other 2021/22 No.
Medical and Dental	518	332	186	513	511	2
Ambulance Staff						
Administration and Estates	904	869	35	882	834	48
Healthcare Assistants and Other Support Staff	231	210	21	245	212	33
Nursing, Midwifery and Health Visiting Staff	1,454	1,326	128	1,416	1,311	105
Nursing, Midwifery and Health Visiting Learners						
Scientific, Therapeutic and Technical Staff	893	882	11	846	844	2
Healthcare Science Staff						
Social Care Staff						
Agency and Contract Staff						
Bank Staff						
Other						
<b>Total Average Numbers</b>	<b>4,000</b>	<b>3,619</b>	<b>381</b>	<b>3,902</b>	<b>3,712</b>	<b>190</b>
<b>Of Which:</b>						
Number of Employees (WTE) Engaged on Capital Projects	47	45	1	52	48	4

## Staff Costs

	Permanent £0	Other £0	2022/23 Total £0	2021/22 Total £0
Salaries and Wages	168,309	17,771	186,080	173,484
Social Security Costs	17,199		17,199	15,146
Apprenticeship Levy	806		806	747
Employer's Contributions to NHS Pensions	19,830		19,830	18,629
Employer's Contributions to NHS Pensions paid by NHSE	8,684		8,684	8,131
Pension Cost - Other			0	63
Other Post-Employment Benefits			0	0
Other Employment Benefits			0	0
Termination Benefits			0	0
Temporary Staff		10,706	10,706	9,652
<b>Total Gross Staff Costs</b>	<b>214,828</b>	<b>28,477</b>	<b>243,305</b>	<b>225,789</b>
Recoveries in Respect of Seconded Staff	-1,998		-1,998	-1,593
<b>Total Staff Costs</b>	<b>212,830</b>	<b>28,477</b>	<b>241,307</b>	<b>224,196</b>
<b>Of Which</b>				
Costs Capitalised as Part of Assets	2,387	203	2,590	2,728

## Sickness Absence Data

In 2022/23 we continued to promote positive health and wellbeing, recognising the challenges faced by our staff and across the wider NHS in recent years and the impact that has had on our workforce. We offer ongoing and 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

During 2022, the Trust has continued to work in partnership with our staff side colleagues and managers to ensure that all employment policies are regularly reviewed through meaningful conversations and consultation.

Our Trust Partnership Agreement was approved and relaunched in 2022/23, following excellent collaboration and consultation with staff side colleagues.

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.

The Trust has continued through 2022, to ensure a working environment free from all forms of bullying and harassment and prejudicial or discriminatory behaviour and to ensure that all policies and practices reflect that, with a focus on resolution and a restorative culture.

A Reasonable Adjustments Policy has been introduced in the Trust as a separate and individual policy, which was previously embedded in other related policies. This has provided clear guidance and support for all staff.



“  
We were pleased to see new initiatives undertaken to support inpatients that were suggested by the young people at Alder Hey.  
”





## 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 Children's NHS Foundation Trust 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 2022/23

Measure	Fig
Total Number of Trade Union Representatives Your Organisation Employed - Include Employees who were not Representatives for the Full 12 Months	25
Total Full Time Equivalent Number of Representatives (FTE)	22.41
Number of TU Representatives that Spend 0% Working Hours	4
Number of TU Representatives that Spend 1-50% Working Hours	20
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	1-50%
Total Amount of Time Representatives Spent on Paid Facility Time – Paid Union Duties and Activities (Annual Hours)	3835.92
Total Amount of Time Representatives Spent on Paid Union Activities (Annual Hours)	2,244
Total Amount of Time Representatives Spent on Unpaid Union Activities (Annual Hours)	0
Total Pay Bill – for all Employees not Just Union Representatives	£161,189,462.80
Total Cost of Facility Time	£49,658.92
Percentage of Pay Spent on Facility Time	0.03%
Percentage of Hours Spent on TU Activities	8.95%
Percentage of Total Paid Facility Time Hours Spent on Paid Trade Union Activities	5.23%

## Communications

Throughout 2022/23 we continued to share the Alder Hey 'story' through staff engagement, regional and national news stories, hosting visitors of significance, ongoing engagement via social media, closer working with our Charity to drive brand awareness and delivering events that celebrate our work and our colleagues.

Learning from the pandemic, we have focused our efforts on moving away from a reactive approach to communications and instead sought to deliver messaging both externally and internally aligned against a clear set of goals.

Internally, we have delivered a **cascade** of communications to colleagues across Alder Hey,

seeking to provide up to date information to every corner. Key to this was designing and installing '**communication stations**' which are fixed noticeboards for displaying timely messaging, a 'Who's Who?' of key staff for that area and 'post boxes' that enable staff to submit concerns via Raise it Change It and Freedom to Speak Up.

We introduced a weekly news email – renamed the "**Monday Managers' Bulletin**" - and we continued to deliver **regular broadcasts** each month that provide feedback from the preceding Trust Board meeting discussions and also providing focus on key themes we need to highlight, alongside high priority operational news and announcements. Key items included changes to IPC guidance and sharing continuity plans for the impact of industrial action. A new initiative was

the weekly **Ask the Execs** live meeting via Teams. This provides direct access to our executive directors in a shared forum, with colleagues able to ask questions on any subject in advance and on the day. Topics covered were wide ranging, from car parking concerns to use of masks, to recycling on site, to our response to “period poverty” and the cost-of-living crisis. Each week questions are answered directly by executive directors and, if this is not possible, a pledge is given to provide an answer soon after the meeting.



A key part of our renewed communications delivery to colleagues was the launch, in March 2023, of a brand new intranet – **My**

**Alder Hey**. This new digital platform is fully mobile ready, accessible via the smart phone “in your pocket”. It was developed through extensive consultation with colleagues, with key groups signing off each proposal and the final version. Critical information is now included in an easy to access format, such as all Trust policies, and a comprehensive directory of staff – all designed to make working life easier for colleagues. Further development work is ongoing with the intranet never being “finished” but a continually developing tool for practical, daily use by everyone.

Phase 1 of our new Alder Hey **website** launched in June 2023. During 22/23 we have undertaken extensive external stakeholder feedback, especially with children, young people, and families and have liaised closely with teams across Alder Hey to understand how the website can meet their clinical needs.

At a time when the NHS continues to work relentlessly within a highly pressured and challenging environment, **recognising and celebrating** the great work of our colleagues remains ever important. This plays a vital role in improving staff morale while ultimately enhancing patient care.

A fun-filled dedicated day of celebration and recognition for our colleagues took place in September. Our **Staff Summer Celebration** included a BBQ provided free-of-charge by the Rapid

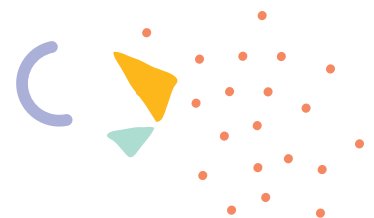


Relief Team, well-being surprises, great music, stalls in our Innovation Hub and Institute and tours of the new Catkin and Sunflower buildings. It was for many of our colleagues, the first opportunity to come together as one organisation since before the COVID-19 pandemic.



December was themed as our **‘People Month’**, giving us an opportunity to celebrate Christmas while recognising our amazing ‘people’. As well as creating a truly magically decorated Hospital throughout the festive season to boost staff morale, we hosted a memorable **light switch on event** that celebrated the beginning of the festive season, highlighted a return to post-pandemic ‘normality’ and provided an opportunity to shine the spotlight on some of our staff. A pre-recorded Christmas show was once again produced and streamed live in the run up to the switch on via our Christmas Hub. Throughout December we rolled out **fun and exciting Christmas content, experiences, memories and surprises for staff, patients and families**. This included a special Christmas Party for some of our outpatients where we welcomed players from Everton and Liverpool Football clubs into the Hospital for the first time since the pandemic.

Our staff were further recognised through our **‘Christmas ‘Star’** campaign. Our Christmas ‘Stars’ were announced each day and shared on the advent calendar on our Festive Hub and across our social media channels. We also hosted our first **‘Christmas Star Awards’**; nominated staff received a certificate and divisional leads shortlisted 100 staff who were invited to a celebratory Christmas dinner. Staff also received **special deliveries** of mince pies, chocolates, free hot drink and cake (courtesy of our friends at RRT) and festive hampers.



As Alder Hey works to achieve a healthier future for children and young people everywhere, we are extremely proud of the work we have done over the last 12 months in highlighting health inequalities. This has included:

- Filming a segment about air pollution across the UK for Channel 4 News.
- Dr Ian Sinha being interviewed by BBC about the Fuel Poverty Report and Heart, Capital FM and LBC about how poverty can affect a child's health.
- BBC Panorama spoke to Dr Ian Sinha as part of a programme investigating links between landfill sites and respiratory conditions in children.
- Working closely with the team from University of Central Lancashire's Institute of Health Equity on the release of a press release highlighting findings from the Marmot Report on the impact of fuel poverty and cold homes on children and young people. The report, which was written by Professor Sir Michael Marmot alongside Professor Ian Sinha and Alice Lee from Alder Hey's Respiratory Team, was heavily featured nationally including pieces in The Times, Financial Times, Mail, BBC, The Telegraph and others.
- We also wrote a supplementary piece for the Press Association about how families could keep their babies warm during the winter.



We also announced the opening of the new Catkin Centre in May with a film featuring members of our Young Person's Forum and Camheliions. The film gave an insight to what is in the new building, features and how the new building will be used. The team also created a number of new videos to help patients and families find their way around the new building.

Preparations have been taking place for the opening of Sunflower House and various content has been created including a 360 film of the unit, an animation of a parent story, a launch film and official photography. BBCNW and Granada Reports also visited the Unit and interviewed staff ahead of the move. The story is embargoed until May 2023 and will be shared widely across our social channels, media, internally and to our networks. Ahead of the move, staff were given a chance to see the new Unit before patients moved in and the feedback from their tours was really positive.



Over the past year we have made significant effort to enhance our engagement with the local community and keep them updated on the development of Springfield Park as well as our wider plans for the campus. Three community drop-in sessions took place to update on progress on Springfield Park and share the latest news on our campus. Feedback has suggested that many of the attendees feel better informed after these events. We have also produced quarterly community newsletters featuring latest updates. We are pledged to continue this face-to-face contact.

2022/23 saw significant progress across a number of development projects, giving us an opportunity to highlight the Alder Hey healthcare campus. We commissioned a new **virtual flythrough** of the new Surgical NICU and secured a number of press pieces including Granada TV. To view the flythrough



visit - [https://youtu.be/XIE\\_I4EU6u0](https://youtu.be/XIE_I4EU6u0)

Alongside this, we have also continued to respond where appropriate to questions and comments on **social media** about the park and have **rolled out content across our social media channels** to highlight the progress. The website has also been updated to include a **dedicated website section** for Springfield Park.



We continued to work with Alder Hey Children's Charity throughout the year to support their vital work in raising funds. Highlights include: promoting the fundraising appeal for the new Neonatal Unit and a new campaign with Proctor & Gamble and B&M; hosting BBC Breakfast as they announced the amount raised by BBC Children in Need; showcasing the 'Alder Hey Urban Foraging Station' at the RHS Chelsea Flower Show and its relocation to Alder Hey; and raising awareness of Matalan's campaign for the 9th consecutive year!



Alder Hey's **social media channels** continued to grow during 22/23, shining a spotlight on our patients and highlighting the difference that Alder Hey makes to children and young people. We reached over **200,000 followers** across our Twitter, Facebook, LinkedIn, Instagram and TikTok channels and achieved **27 million views and interactions**.



One of our most successful posts featured a video of craniofacial patient Teddy singing along with his grandad to his favourite Elton John song; *I'm Still Standing*. The post achieved over 2 million views on TikTok and has helped grow the channel which was introduced in 2021 and now has nearly 10,000 followers. The post did fantastic on other channels as well, gaining over 250,000 views on Facebook and Instagram and over 1 million impressions on LinkedIn. NHS England also shared the post across their own channels. Teddy's story also encouraged more overseas visitors to our TikTok channel with the majority of people viewing it from outside the UK.

- Engaged over 13,000 members through bimonthly newsletters and our annual AMM.
- Surgeon Mr Christian Duncan became a regular spokesperson for dog bites and was interviewed by the Daily Mirror, Granada Reports, BBC Radio Merseyside, Radio City, Times Radio.
- Supported the Trust during industrial action with proactive communications delivered across our social media channels and website, advising patients and families of our arrangements. Internal communication was comprehensive and detailed, with numerous Q&A sessions, drop ins with SALS and FTSU colleagues, and a specific nurses' only meeting with Nathan Askew, Chief Nurse.
- Generated extensive media coverage about the family of a child who had cataract surgery at Alder Hey appearing on Steph's packed lunch, ITV, Women's Magazines, Good Morning Britain, Liverpool Echo.
- Taking part in Eurovision's 'Welcome to Liverpool' video as part of the Eurovision Draw Show which aired on BBC2 and BBC iPlayer on 31st January.
- Fielding a spokesperson for enquiries relating to Monkeypox outbreak in the UK.
- Securing a BBC Breakfast feature focusing on Alder Hey patient Jessica raising awareness of stomas and buttony bears (bears which alleviate anxiety before procedures).
- Celebrating the work of Alder Hey as part of the NHS74 Birthday celebrations.
- Arranging high profile visits to the Trust including from NHSE Chief Executive Amanda Pritchard and Dame Rachel De Souza, Children's Commissioner.
- Hosted a Media Day to launch our new innovation strategy 'Today's Child, Tomorrow's Healthier Adult', securing coverage in the Liverpool Echo, ITV Granada, BBCNW and Smooth Radio.



Other highlights from 2022/23 include:

- Supported the NHS through winter; creating expert videos around Asthma, Flu and Alder Hey's symptom checker for NHSE; arranging interviews with local and regional press about the symptoms of Strep A and when to get help; promoting the importance of flu vaccination particularly amongst 2-5 year olds; and managing media opportunities to raise awareness of ED pressures.
- The Independent visited the Trust as part of a piece highlighting pressures on paediatric services.

## 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 2022/23. 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 2022/23 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. These offers have developed and expanded in response to the wider socioeconomic context of 2022 and 2023, including the stress experienced by the rising costs of living.



What has become clear both nationally and at Alder Hey is that the psychological burden of the pandemic from, both a personal and professional

perspective, continue to impact our workforce and has contributed to stress, anxiety, and depression in healthcare professionals. Evidence from previous disasters suggest that the psychological recovery from societal trauma can take 4-6 years. This fits with rising numbers of staff presenting with complex and acute mental health difficulties. In line with a national picture in the NHS, we are seeing NHS staff presenting with high rates of post-traumatic stress disorder (PTSD), burn out and compassion fatigue. We are also witnessing the impact of the pandemic on interpersonal relationships as staff present with relational strain affecting working relationships within work with a rise in incivility between colleagues.

## An Organisational Health and Wellbeing Approach

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. Research by William Fleming of the University of Cambridge on data from 26,471 employees found that various wellbeing and stress management initiatives had “no effect” on mental health (People Management, 26th August 2021). Face to face sustained approaches closely linked in with line managers were found to be more beneficial. A recent review of the evidence by the London School of Economics (LSE, 2022) demonstrated the public health and economic benefit of programmes that target and prevent mental health problems and empower more people to live well. This review advocated for rapid access to psychological and psychosocial support that are integrated within an organisational context and demonstrated that workplace interventions can save £5 for every £1 invested in supporting mental health (LSE, 2022).

Given the evidence and our learning to date through the Staff Advice & Liaison Service (SALS) and other support mechanisms in the organisation, we take an organisational health and wellbeing approach using the NHSE Organisational Health and Wellbeing Framework. 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 into the next year. This Framework is a high-level culture change toolkit aimed at health and wellbeing staff, human resources (HR) and organisational development (OD) staff, HR and OD directors, wellbeing guardians, managers and leaders and anyone with an interest in health and wellbeing.

The diagram below summarises our organisational offers in line with the Health and Wellbeing Framework, which will be expanded on in the sections below:



## Improving Personal Health and Wellbeing

At Alder Hey, staff have access to a range of support for their health and wellbeing including Staff Advice & Liaison Service (SALS), Occupational Health Service and the Alder Centre staff counselling service. Staff in medical specialties and Critical Care can also access support from the Clinical Health Psychology Service via clinical psychologists embedded in teams.

Through the COVID-19 pandemic, support for staff health and wellbeing has been amongst the top strategic priorities and this led to the rapid growth of the Staff Advice and Liaison Service, offering an open door, easy access, rapid response listening service to all staff.

The service 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. Effective triage is key to this. SALS does not carry a waiting list for support and sees staff on average 4.5 times indicating that a little can go a long way when it is tailored to an individual and provided at the right time. As wait lists for external mental health services grow, providing a responsive and person-centred service is key. The low number of onward referrals to counselling

is testament to its effectiveness. The level of engagement in the service over 2020-2023 also evidences the success of the services approach.

Underpinning the model is the mantra 'It is OK not to be OK' and SALS aims to normalise distress, provide a positive experience of help seeking and liaise with appropriate individuals and services to develop a network of support around an individual. SALS has now seen approximately 36% of the workforce for individual support and met many more through outreach sessions at Trust inductions, team sessions and away days.

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 in 2022-2023, with a corresponding rise in drop-ins. The team remains busy and has had over 8,500 contacts to the service. 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.

Since 2022, 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 focussed 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 and led to a themed Schwartz round called 'Behind the Mask'. The menopause sessions have also 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. In terms of personal health and wellbeing and development, 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.

In response to the rising costs of living, we have also partnered with the Citizens Advice Bureau to offer a bespoke clinic to our Alder Hey colleagues – providing expertise on money and debt management. We have been able to offer some reduced-cost meals for both staff and our families as well as developing a Pay it Forward Scheme which helps our staff in need but also gives the opportunity to develop a community of support within the Trust. We have also developed a 'Sway' leaflet with up-to-date financial offers externally to support staff to access and benefit from local offers of financial support.

To support staff with their physical health, we have also set up a physical health task and finish group with the intention of enhancing our physical health offer to staff. This group has developed a survey to understand what offers staff would be most interested in accessing and will support the implementation of physical health activities which staff can access.

## Professional Wellbeing Support

In terms of professional wellbeing support, staff at Alder Hey have benefitted from a focus on rest and recovery through two additional days leave, wellbeing days, and information and briefings targeted at self-compassion. Dr Jo Potier has also led on the development of '7 in 7' briefings based on a model of disseminating information used in the FBI where seven key points

are covered in seven minutes. Themes for these videos include 'Kindness' to target and support civility at work, as well as 'Moral Injury' which has become pertinent as staff face challenges in recovering services alongside their team's recovery and in the context of the wave of strike action in 2023. We also funded a special Guest Lecture from Dr Chris Turner who spoke about his campaign 'Civility Saves Lives' which was broadcast Trust wide-and over 300 staff across the Trust attended.

Induction processes are being renewed and enhanced in view of the changing nature of the organisation as we emerge from the pandemic and every member of staff has been offered a Health and Wellbeing Conversation as part of their routine PDR. Our Wellbeing Guardian role is now well embedded in the organisation and progress is being mapped against the 9 Wellbeing Guardian Principles with feedback through the People and Wellbeing Committee to Board.

In 2022, SALS were also successful in receiving funding from NHS England/Improvement to pilot stress risk assessments. This pilot project involved the recruitment of several part-time stress risk assessors working with SALS at Alder Hey to undertake stress risk assessments and support managers. This intervention aimed to provide staff members with the opportunity to feedback on the stressors affecting them at work, to document this in a formalised way, which can be used to develop a comprehensive action plan to reduce workplace stress and increase support. Importantly, line managers were consulted throughout the risk assessment process and involved in creating actions to reduce staff members' work-related stress. 37 stress risk assessors received training that worked in a range of departments from surgical, medical, community and research divisions. In total, 84 referrals were completed during this six-month pilot and outcomes from the pilot suggest this reduced stress for those who completed them.

We have also supported 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 24 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.

In line with new NICE Guidelines on Employee Mental Health (NG212, 2022), SALS has also developed Supporting Mental Health in the Workplace training available to all staff. This is online training accessible via Moodle and involves two modules: 1) Strengthening Me – to support individual mental health awareness, 2) Strengthening Me – to support a proactive and preventative approach to managing mental health at work in line with the principles of Mental Health

First Aid. This learning is designed to help people to identify, understand and help someone who may be experiencing a mental health issue. It draws on evidence and understandings from biology, psychology and neuroscience to support staff in staying well and feeling strong.

To support the evaluation of our interventions within teams, we have also developed a 'Team Temperature

Check', which is a tool to assess how 'Safe and Well' teams are working together. This tool assesses levels of engagement, burnout, wellbeing, psychological safety and patient safety culture. The tool is being piloted and feeds back into the Patient Safety Workstream to start to gather more data on the link between staff safety and patient safety.

## Relationships

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.

SALS Pals received competitive funding from NHS England/Improvement and involves piloting a paid role where different professionals are trained in mental health first aid and compassionate conversation to provide local wellbeing support in their area. SALS developed a role description,

application, and recruitment process to support staff into this role. SALS also developed a full training package to upskill colleagues whilst supporting them with ongoing supervision. We now have 48 trained SALS Pals in operation as part of the pilot which has targeted hot spot areas where we saw a high number of SALS referrals. To date, this has resulted in over 100 extra paid hours of wellbeing conversations. 100% of those who have completed feedback forms have indicated they felt better after speaking to their SALS Pal and some of the written feedback indicates the benefit of a proactive, preventative, integrated and local approach:



"I feel that this is a valuable opportunity for some staff to take a short break from their shift to air any matters or to just take a breather and a friendly chat."

"Think staff need this support, as everyone struggling with one thing or another."

"Very helpful to talk through work issues, and non-work issues that are impacting on work. X went above and beyond to help resolve work issues."

"It is useful to talk to someone who works in the team and knows how it works."

"Very useful to be able to talk with someone who does the same job as me and completely understands my role."

"I always feel better after talking with my SALS Pal."

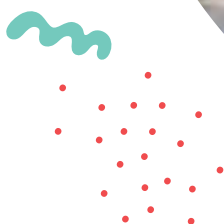




Crucial to maintaining and building adaptive resilience when resources are challenged is to enable staff to use existing coping mechanisms bolstered through connections with others who

understand their role and are themselves given the resource and skills to support their colleagues. In 2020, we implemented the Ground TRUTH tool as lead clinical partner working with the Department of Critical Incident Psychology at the University of Liverpool. We continue to use this digital mechanism to support teams to keep going together through networks of SALS Pals.

Over the last three years, Ground TRUTH has developed as a digital mechanism for fostering cohesion, improving morale, sharing learning and boosting coping as part of a three-phase implementation process. Ground TRUTH integrates a dual responsibility of the individual and the organisation, to reduce burn out in teams. 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 nationally and in 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. In 2022-2023, we worked in partnership with the University of Liverpool as part of the government funded Accelerated Capability Environment (ACE) Network which looks to solve public safety and security challenges to innovate collaboratively and deliver front line mission impact at pace.



## Outcomes and Impacts

Since 2020, the year of SALS introduction, the proportion of staff absent from work due to mental health reasons has dipped significantly from 43.49% in 2020 to 29.62% in 2022.

The coherence of our whole approach to staff engagement, including our commitment to staff wellbeing and to the development of compassionate and inclusive culture has been recognised externally through our success in being awarded two funded projects to develop our service from NHS England/Improvement.

The value of our work is also evidenced by our qualitative feedback from Alder Hey's staff:

“SALS helped me to feel like I mattered. They showed the care, kindness and compassion we show (as staff) to our patients. We need more of this type of support across the organisation to help staff feel more supported and valued... I was able to access SALS remotely during a period of absence from work which was really important to allow me to continue accessing support. I felt like sessions were completely confidential which allowed me to be open and honest. I love working for Alder Hey. Without SALS' support, I may have not been able to continue my work at Alder Hey and I am so grateful for everything they have done.”

“This service is a blessing to Alder Hey staff.”

“I was treated as an individual and I felt at all times that my concerns were valid... I am sure I was not the only member of Alder Hey Staff requiring support but I never once felt I was too much trouble or a burden.”

“Although brief, the limited number of sessions offered enabled me to seek out support for some unmet needs... I have managed to understand more about myself in three sessions than I had within six months of counselling previously accessed under a different Trust.”

“This is a fantastic service - keep it up! It should be an NHS-wide thing!”

“Just keep this service going, and it really is unique. I have worked at quite a few trusts and when my staff members and colleagues have gone to “SALS-like” services, they haven't felt any better - I know one occasion the only advice given to that member of staff was to go off sick! The fact that the Team motivated me and helped me understand the situation so that I could stay in work is phenomenal. And the fact that they had solutions - practical solutions that would help the situation - and took the reins in putting a plan together for me was amazing. I can't recommend the service enough!”

“If you don't know where to go to, SALS is the place to contact especially if you are new to the organisation.”

“All the staff are very helpful, approachable and friendly. Just having someone to talk to makes all the difference, I have been to SALS twice now and cannot fault the service I have had from the Team. They always follow up on everything and I know that I can go back to them about anything anytime. I have recommended SALS to my colleagues, I think people initially think it is just for people struggling in work but there is so much more to it. If SALS don't know the answer they will go above and beyond to find it or recommend other staff members to speak to. I can't thank them enough for the help they have given me.”

## Freedom to Speak Up

The Trust's Freedom to Speak Up Guardian (FTSUG) has continued to build capacity and capability throughout the organisation during the year in relation to a positive speaking up culture, working to consolidate close working with SALS colleagues developed during the pandemic. The two services have embedded their symbiotic relationship, frequently signposting staff to each other and work is ongoing to align activity data between the two on a thematic and strictly anonymised basis. Recruitment of FTSU champions continues, with the Vision remaining one where the organisation has a diverse group of champions and for each Ward/Department to be supported by a Champion. This will ensure that staff have a colleague who understands the area that they work in and the barriers they may face in accessing FTSU. The role of the Champion is one that promotes the principles of FTSU, signposts staff to the service and highlights the importance of staff completing the Speak Up, Listen Up training which is available to all and which has now been mandated for all staff.

## Health & 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. Alongside Occupational Health and the Staff Advice and Liaison Service (SALS), the Trust offers wide ranging support for the physical, mental and psychological health and wellbeing of every colleague working at Alder Hey.

## Expenditure on Consultancy

Expenditure on consultancy during 2022/23 was for specialist advice and operational delivery on an interim basis to ensure high quality services for children and families.

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## 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 2023**

<b>For all Off-Payroll Engagements as of 31st March 2023, for More Than £245 per Day and that Last Longer Than Six Months</b>	<b>2022/23 Number of Engagements</b>
<b>No. Of Existing Engagements 31 March 2023</b>	<b>9</b>
<b>Of Which:</b>	
Number That Have Existed For Less Than One Year at the Time of Reporting	0
Number That Have Existed For Between One and Two Years at the Time of Reporting	5
Number That Have Existed For Between Two and Three Years at the Time of Reporting	2
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 2023**

All Off-Payroll Workers Engaged at Any Point During the Year Ended 31st March 2023	2022/23 Number of Engagements
<b>Number of Off-Payroll Workers Engaged During Year Ended March 2023</b>	<b>17</b>
<b>Of Which:</b>	
No. Assessment as Within Scope of IR35	0
No. Assessment as Outside Scope of IR35	17
No. of Engagements Reassessed For Consistency/Assurance Purposes During the Year	4
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 2022 and 31 March 2023**

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.	41

## Exit Packages 2022/23

Exit Package Cost Band (Including Any Special Payment Element)	Number of Compulsory Redundancies  Number	Number of Other Departures Agreed  Number	Total Number of Exit Packages by Cost Band  Number
<£10,000		15	15
£10,001 - £25,000		3	3
£25,001 - 50,000		1	1
£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>19</b>	<b>19</b>
Total Resource Cost (£)	£0	£104,000	£104,000

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

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

	2022/23	2022/23	2021/22	2021/22
	Payments Agreed	Total Value of Agreements £000	Payments Agreed	Total Value of Agreements £000
	Number		Number	
Voluntary Redundancies Including Early Retirement Contractual Costs	2	18	3	82
Mutually Agreed Resignations (MARS) Contractual Costs				
Early Retirements in the Efficiency of the Service Contractual Costs				
Contractual Payments in Lieu of Notice	17	86	15	59
Exit Payments Following Employment Tribunals or Court Orders				
Non-Contractual Payments Requiring HMT Approval (Special Severance Payments)*				
<b>Total</b>	<b>19</b>	<b>104</b>	<b>18</b>	<b>141</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 both how we 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 to agree local actions they can take together to improve staff experience and engagement. The 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 formal but more regular opportunities to hear staff voices and act on their feedback including a newly developed Working Safe and Well Team Temperature Check, ad hoc surveys, the Ground Truth tool and of course through our staff networks.

In addition we are constantly striving to improve opportunities for “everyday” listening opportunities through PDRs, health & wellbeing conversations, stay conversations, conversations with SALS Pals, professional nurse advocates and trainee wellbeing leads, targeted listening sessions (with teams, groups or issue specific, such as industrial action), weekly Ask the Execs and regular team meetings.

### Summary of Performance - Results from the NHS Staff Survey

The NHS staff survey is conducted annually. From 2021/22 the survey questions align to the seven elements of the NHS ‘People Promise’ and retain the two previous themes of engagement and morale. These replaced the ten indicator themes used in previous years. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

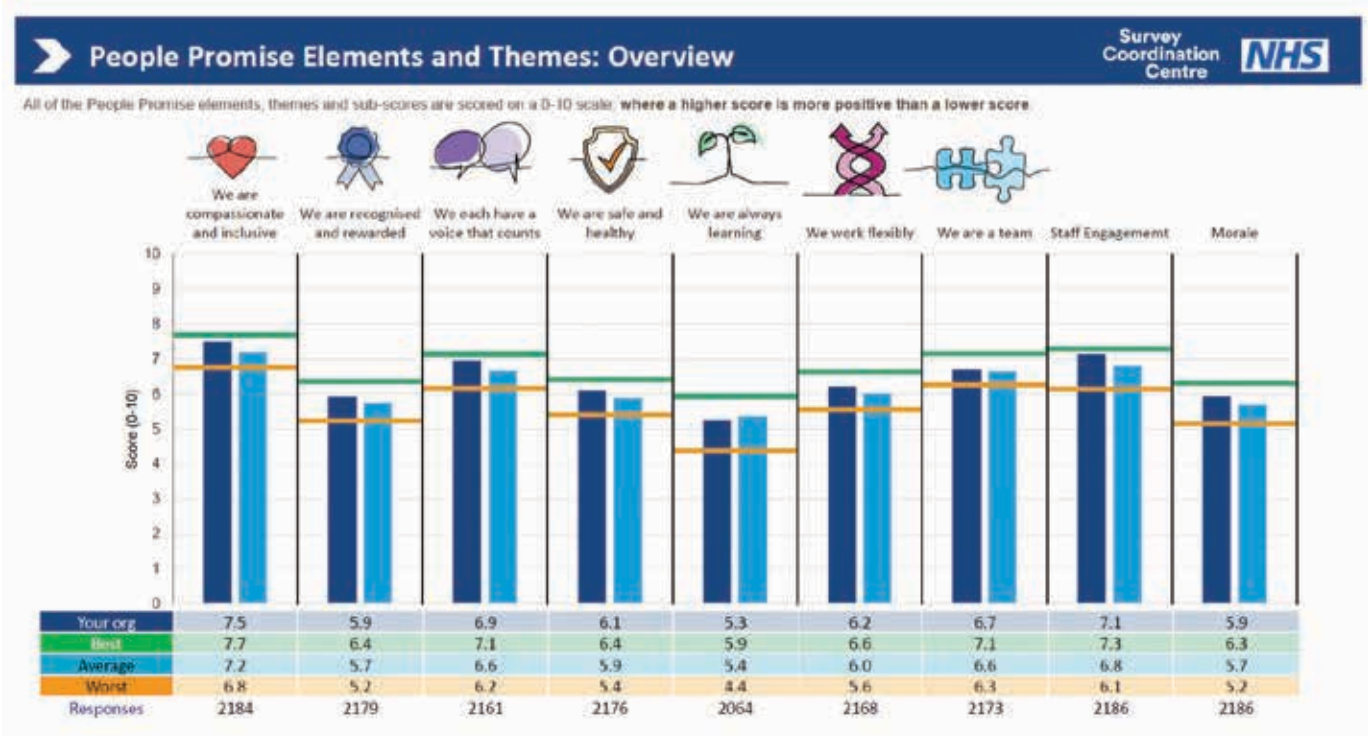
The response rate to the 2022/23 survey among Trust staff was 54% (2021/22 was 52%). 67.3% of staff would recommend Alder Hey as a place to work and 86.4% as a place for friends and family to receive care. Although both results have declined since last year, consistent with the national picture, both are significantly above the average of our comparator group with the latter being “best-in-class” for our group.

The survey responses reflect a national picture of overall decline given the exceptional challenges faced across the NHS over the past few years due to the COVID-19-19 pandemic and its many impacts, not least the cost-of-living crisis that has followed and the more recent period of industrial action. Results at Alder Hey and across the NHS show the increase in both stress and reported burnout experienced by our staff. However, as with our results in 2022, 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

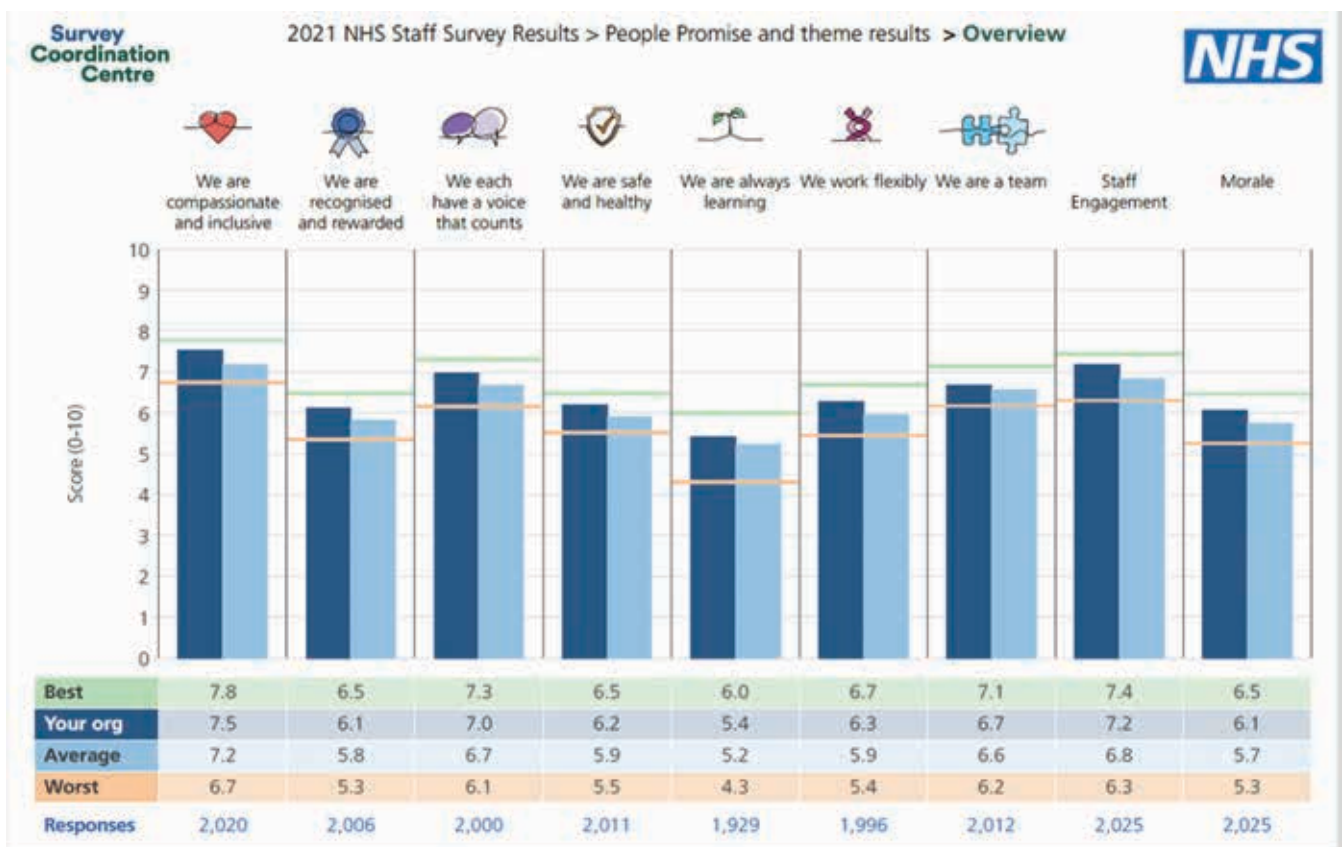
and wellbeing is paramount as illustrated in other parts of this report. We have also seen positive increases in staff reporting having a voice that counts, with increased reports of autonomy and control.

The tables below provide an analysis of our results across the seven key NHS People Promises for 2022/23 and 2021/22 together with that of the survey benchmarking group and the additional themes of Staff Engagement and Morale, showing higher than average scores across every domain except the Learning domain when compared with our sector.

### Scores for Each Indicator for 2022



### Scores for Each Indicator for 2021



2020

Theme	Trust Score	Benchmarking Group Score
Equality, Diversity and Inclusion	9.4	9.1
Health & Wellbeing	6.4	6.1
Immediate Managers	6.9	6.8
Morale	6.6	6.2
Quality of Appraisals	n/a	n/a
Quality of Care	7.6	7.5
Safe Environment – Bullying and Harassment	8.7	8.1
Safe Environment – Violence	9.8	9.5
Safety Culture	7.1	6.8
Staff Engagement	7.4	7
Team Working	6.8	6.5

Below are the top 5 and bottom 5 scores, showing comparisons with 2021 and national averages for each score:

Top 5 Scores			
Question	2021	2022	National Average
13b: In the last 12 months how many times have you personally experienced physical violence at work from managers?	0.3%	0.2%	0.8%
13c: In the last 12 months, how many times have you personally experienced physical violence at work from other colleagues?	0.8%	1.1%	1.8%
16a: In the last 12 months, have you personally experienced discrimination at work from patients/service users, their relatives or other members of the public?	2.5%	3.1%	8.3%
16b: In the last 12 months, I have personally experienced discrimination at work from a manager/team leader or other colleagues.	6.1%	6.8%	9.0%
13a: In the last 12 months, I have personally experienced physical violence from patients, their relatives or other members of the public	6.9%	7.3%	14.7%
Bottom 5 Scores			
Question	2021	2022	National Average
21b: (My appraisal).. helped me to improve how I do my job	18.5%	20.9%	21.9%
5a: I have unrealistic time pressures	24.5%	22.8%	23.4%
4c: (Satisfaction with)..my level of pay	41.6%	30.6%	25.6%
3i: There are enough staff at this organisation for me to do my job properly	31.6%	30.1%	26.4%
21d: (My Appraisal)..left me feeling that my work is valued by my organisation	31.4%	33.4%	31%

## 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 throughout the NHS.

Looking at the burnout questions and the high rates of both burnout and exhaustion reported, we will continue to focus on staff wellbeing and morale over this coming year as we continue 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.

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 will also place particular focus on the experiences of colleagues with both seen and unseen disabilities, on our appraisal and PDR processes and on how we can better show value for the incredible work that our staff do for our children and families. It is of particular concern that we are continuing to see higher reported experiences of discrimination for our staff, including increased discrimination on the grounds of disability and other reasons not specified. Our newly established Disability Network will be focussing on this as a priority over the coming year.

### Future Priorities and Targets

We know that our recovery as individuals and as an organisation from the crisis brought on by COVID-19 together with the ongoing impacts of financial pressures and industrial action, 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 80%.



*Louise Shepherd*

**LOUISE SHEPHERD CBE**

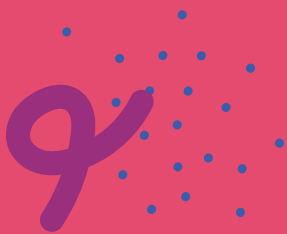
**Chief Executive**  
**27th June 2023**



## Rosie's Story

Six month old Rosie was brought to Alder Hey by ambulance shortly after her birth. She was diagnosed with choanal atresia, a rare condition that meant she was born with blocked nasal passages.

After six operations on her nose, Rosie is now on the road to recovery after her final procedure last December.



Mum Alison said:

“

Rosie is fast developing into a thriving, happy and active little girl. The nursing staff on Ward 3A were unstinting in their kind and compassionate care.

”



# 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 NHS England 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



2022/23 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.

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.

The Council met formally five times during the year. The Council appointed a Non-Executive Director to the additional role of the Senior Independent Director of the Trust, and re-appointed four of the existing non-executives during 2022/23, three of these were second three year terms of office and one six-month final extension; this was to ensure stability and continuity on the Board. The Council also approved the appointment of a new Vice Chair of the Trust.

Executive and non-executive directors attend the Council of Governors' meetings and report on the work of their committees and 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 2022 Annual Members' Meeting was held in November via Microsoft Teams, with a powerful keynote address delivered by members of the Liverpool Neonatal Partnership Team about the plans underway to create a new state-of-the-art Neonatal Intensive Care Unit on the Alder Hey site which would provide care for pre-term babies. Two of the Trust's patient governors had prepared a short video for members on the importance of being a Patient Governor and representing the views of children and young people who use Alder Hey's services. This was followed by presentation of the Trust's Annual Accounts 2021/22 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, including 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 and attending quality assurance rounds.

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 electronic outpatient prescribing issues/plans for implementing electronic prescribing, plans for additional therapy dogs and 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. We are particularly keen to ensure the voice of children and young people is central to our work and have benefited from the involvement of patient governors in sharing their insights. Through our Member Communication Strategy we are keen 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. We have welcomed the Director for Marketing and Communications to our committee meetings to work together. Many of our key stakeholders are current or potential members. We regularly engage with them via a refreshed newsletter strategy which seeks 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. We continue to seek to offer members 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 Board 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 25 elected governors and 10 appointed governors from nominated organisations and comprises 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 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 2022/23	Total No. of Attendances at Council Meetings
Barbara Murray**	Appointed	Local Authorities (LCC)	-	n/a	5	2
Rob Tabb	Appointed	Local Authorities (LCC)	-	n/a	1	0
Francine Watkins	Appointed	Liverpool University	-	n/a	5	4
Salman Khan	Appointed	Stakeholders (Local Dental Committee)	-	n/a	2	1
Helen Henderson	Appointed	Edge Hill University	Resigned Sept 2022	n/a	2	0
Jackie Leigh	Appointed	Edge Hill University	Resigned Nov 2022	n/a	1	1
Jane Roberts	Appointed	Edge Hill University	-	n/a	2	2
John Patterson	Appointed	Stakeholders (Education)	-	n/a	2	0
Molly Wardle	Patient	Merseyside	First Term	01-09-20 – 31.08.23	5	0
Sean Melia	Patient	Merseyside	First Term	01.09.19 – 31.08.22	2	0
Thomas Feeney-Shaw	Patient	Merseyside	First Term	01.09.19 – 31.08.22	2	0
Bella Plows	Patient	Merseyside	First Term	01.09.22 – 31.08.25	3	3
Emily Carragher-Leigh	Patient	Merseyside	First Term	01.09.22 – 31.08.25	3	3
Leah Priestly-Black	Patient	Rest of England and North Wales	First Term	01.09.22 – 31.08.25	3	1

Governor	Constituency	Class	Term	Term of Office	Council Meetings Eligible to Attend in 2022/23	Total No. of Attendances at Council Meetings
Dot Brannigan	Public	Merseyside	First Term	01-09-20 – 31.08.23 Resigned Sept 2022	2	0
Pippa Hunter-Jones	Patient	Parent & Carer	Third Term	01-09-20 – 31.08.23	5	5
Georgina Tang	Patient	Parent & Carer	Third Term	01.09.22 – 31.08.25	5	3
Cheryl Danher	Patient	Parent & Carer	First Term	04.04.21 – 03.04.24	5	2
Naomi Grannell	Patient	Parent & Carer	Third Term	01.09.20 – 31.08.23	5	1
Ana Samuel	Patient	Parent & Carer	First Term	01-09-20 – 31.08.23	5	3
Nicola Thorbinson	Patient	Parent & Carer	First Term	01-09-20 – 31.08.23	5	3
Hilary Peel	Public	Merseyside	Third Term	01.09.22 – 31.08.25	5	5
Micaela Dempsey	Public	Merseyside	First Term	15.09.21 – 14.09.24	5	3
Mark Peers	Public	Merseyside	Third Term	01.09.19 – 31.08.22 Resigned Sept 2022	2	0
Amy Rose	Public	Merseyside	First Term	01.03.23 – 28.02.26	n/a	n/a
Rebecca Moore	Public	Merseyside	First Term	01.03.23 – 28.02.26	n/a	n/a
*Marilyn Mornington	Public	Cheshire	First Term	01-09-20 – 31.08.23	5	5
Sue Thoms	Public	Wider North West	First Term	01-09-20 – 31.08.23	5	2
Simon Jacobs	Public	Wider North West	First Term	01-09-20 – 31.08.23	5	1
**Daniel Casson	Public	Rest of England	Second Term	01.09.22 – 31.08.25	5	4
Lowri Smith	Public	N. Wales	First Term	15.09.21 – 14.09.24	5	3
**Sujata De	Staff	Doctors and Dentists	Second Term	15.09.21 – 14.09.24	5	3

Governor	Constituency	Class	Term	Term of Office	Council Meetings Eligible to Attend in 2022/23	Total No. of Attendances at Council Meetings
Ben Smith	Staff	Nursing Staff	First Term	01.09.19 – 31.08.22	2	0
Mike Travis	Staff	Nursing Staff	First Term	01.09.22 – 31.08.25	3	0
Jacqui Pointon	Staff	Nursing Staff	First Term	22.03.22 – 21.03.25	5	4
Gill Kennedy	Staff	Other & Trust Volunteers	First Term	01.09.19 – 31.08.22	2	2
Lachlan Stark	Staff	Other & Trust Volunteers	First Term	01.09.22 – 31.08.25	3	3
John Ashton	Staff	Other & Trust Volunteers	First Term	22.03.23 – 21.03.26	n/a	n/a
Connor Miller	Staff	Other & Trust Volunteers	First Term	01-09-20 – 31.08.23 Resigned Sept 2022	2	0
Michael Mander	Staff	Other Clinical Staff	First Term	01-09-20 – 31.08.23	5	4

\* Lead Governor

\*\* Members of the Nominations Committee



There were five meetings held in 2022/23. The attendance at Council of Governors by Board Members is as follows:



**Dame Jo Williams**  
Attended 4 meetings



**Anita Marsland**  
Attended 1/1 meetings



**Ian Quinlan**  
Attended 2 meetings



**Fiona Marston**  
Attended 1/3 meetings



**Kerry Byrne**  
Attended 5 meetings



**Garth Dallas**  
Attended 2 meeting



**Fiona Beveridge**  
Attended 2 meetings



**Shalni Arora**  
Attended 3 meetings



**Alfie Bass**  
Attended 2 meetings



**Louise Shepherd**  
Attended 3 meetings



**John Grinnell**  
Attended 3 meetings



**Melissa Swindell**  
Attended 4 meetings



**Adam Bateman**  
Attended 4 meetings



**Nathan Askew**  
Attended 5 meetings



**Erica Saunders**  
Attended 5 meetings



**David Powell**  
Attended 3 meetings



**Mark Flanagan**  
Attended 4 meetings



**Dani Jones**  
Attended 4 meetings



**Kate Warriner**  
Attended 2 meetings



**John Kelly**  
Attended 2 meetings



**Jo Revill**  
Attended 0 meetings



**John Chester**  
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**

## 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 was refreshed during the year and its implementation is owned and led by a committee of the Council of Governors called the Membership Strategy Committee. During 2022/23 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 Corporate Governance Team and works to an agreed set of objectives created to reflect the overall aims of the Membership Strategy. Achievements during 2022/23 included:

- Continuing to communicate to our membership. 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' via email 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 2022 to share information with members about Alder Hey's operational and financial performance. Particular highlights of the AMM included:
  - Two of the Trust's patient governors presented a short video for members on the importance of being a Patient Governor and representing the views of children and young people who use Alder Hey's services.
  - A powerful keynote address delivered by members of the Liverpool Neonatal Partnership Team about the plans underway to create a new state-of-the-art Neonatal Intensive Care Unit on the Alder Hey site which would provide care for pre-term babies.



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 continued 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 2023/24 include a number of ideas to enhance membership engagement and ensure the Councils legal duties are met following the newly published ‘Addendum to your statutory duties – reference guide for NHS foundation trust governors’:

- 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.
- Continuing with our 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 is now communicated via email rather than mailed, this supports the Trust’s Green Plan ambitions.

- 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.
- Look at how we strengthen mechanisms by which the Council of Governors can consider the views of the ‘public at large’.

## Membership Profile

Constituency	Number of Members 2022/23 (Actual as at 31st March 2023)
Public	5,409
Patients & Parent Carer	5,030
Staff	4,912
<b>Total</b>	<b>14,801</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 2022/23 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, 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 the integrated 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 Board 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 2022/23</b>		<b>11</b>	<b>6</b>	<b>11</b>	<b>12</b>	<b>9</b>	<b>5</b>
Dame Jo Williams	Chair	10	Not a member	3 of 5	Not a member	4 of 5 (Chair from Oct 2022)	Not a Member
Louise Shepherd	Chief Executive	10	1 of 1 To present AGS	Not a Member	Not a Member	Not a Member	4
Ian Quinlan	NED/ Vice Chair	7	Not a Member	Not a Member	<b>11 Chair</b>	2	3
Fiona Beveridge	Non-Executive Director	6	Not a Member	<b>9 Chair</b>	Not a Member	6	Not a Member
Jo Revill	Non-Executive Director	4 of 6	2 of 2	5 of 6	Not a Member	Not a Member	Not a Member
Anita Marsland	Non-Executive Director	3 of 3	2 of 2	Not a Member	1 of 3	Not a Member	Not a Member
Shalni Arora	Non-Executive Director	9	Not a Member	Not a Member	9	Not a Member	<b>5 Chair</b>
John Kelly	Non-Executive Director	4 of 5	Not a Member	Not a Member	6 of 7	Not a Member	Not a Member
Fiona Marston	Non-Executive Director	5 of 5	Not a Member	Not a Member	Not a Member	5 of 5 (Chair to Sept 2022)	0 of 2
Kerry Byrne	Non-Executive Director	9	<b>6 Chair</b>	11	Not a Member	Not a Member	Not a Member
Garth Dallas	Non-Executive Director	10	6	Not a Member	Not a Member	1 of 1	Not a Member
John Grinnell	Finance Director / Deputy CEO	10	6 Attendee	10	9	Not a Member	2
Adam Bateman	Chief Operating Officer	11	5 Attendee – Risk Only	10	10	7	Not a Member
Erica Saunders	Director of Corporate Affairs	10 Attendee	6 Attendee	9	10 Attendee	9	3
Melissa Swindell	Chief People Officer	10	Not a member	11	9	9	Not a Member

## 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
<b>No. of Meetings Held 2022/23</b>		11	6	11	12	9	5
Alfie Bass	Chief Medical Officer	10	Not a Member	10	Not a member	2	0
Nathan Askew	Chief Nursing Officer	11	Not a Member	10	Not a Member	5	Not a Member
Dani Jones	Director of Strategy & Partnerships	10 Attendee	Not a Member	9	9 Attendee	Not a Member	Not a Member
David Powell	Development Director	8 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	11 Attendee	7	Not a Member
Kate Warriner	Chief Digital and Information Officer	11 Attendee	Not a Member	11	9	Not a Member	5

## 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 and Assistant Director of Nursing & Governance 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 anti-fraud and corruption.
- The effectiveness of clinical audit.

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 2022/23 reports that MIAA have demonstrated their compliance with Public Sector Internal Audit Standards. Internal Audit provides 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.

Upon specific request they can also provide 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 2022/23. 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; and
- Effectiveness of the overall governance and assurance processes operating within the Trust.

The opinion is based upon the delivery of a range of individual opinions arising from risk-based audits that have been reported throughout the year. The assessment has taken account of the relative materiality of these areas and the findings and management's progress in respect of addressing those findings.

The key conclusion from their work for 2022/23 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, following a tendering exercise undertaken during summer 2022 were appointed by the Council of Governors in September 2022 for three-year period (extendable to 5 years).

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

- To audit the financial statements and provide an opinion thereon,
- Report by exception, any significant weaknesses in our arrangements to secure economy, efficiency and effectiveness in our use of resources; and
- Provide commentary on our arrangements in relation to Value for Money.

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

The external audit fees for the three-year contract are at a fixed price of £502,000. The service covers the audit of the Trust's financial accounts and includes a total of 210 audit days per year.

The Audit and Risk Committee considered the external audit results for 2022/23 which confirmed there were no matters to report.

The audit and risk committee members have had regular opportunities to meet in private with internal audit, external audit and the Associate Director of Nursing & Governance during the year.

Six meetings were held during the financial year 2022/23 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 & Risk Committee considered a range of key issues and tested the underpinning control and assurance mechanisms, including:

- The Board Assurance Framework report.
- The Corporate Risk Register.
- A summary of the findings from internal audit reports in accordance with the approved 2022/23 work plan.
- A summary of the outcome of the progress in implementing internal audit recommendations that have passed their due date.
- Counter fraud reports by the MIAA counter fraud specialist in accordance with the approved 2022/23 work plan.

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

- Annual Governance Statement
- Consideration of the 2022/23 Annual Accounts (for the year ending 31 March 2023)
- External Audit report on the financial statements to 31 March 2023 and ISA 260
- Losses and special payments
- Internal Audit work plan for 2022/23
- Ernst & Young External Audit Year-end Report 2022/23
- External Audit Strategy and Accounting Issues relating to the Audit of the Trust's 2022/23 Accounts
- Accounting policies for the 2022/23 Financial Statements
- Audit and Risk Committee work plan 2022/23
- Terms of reference and workplan for the Audit and Risk Committee
- Annual Reports from all the Trust's assurance committees
- Gifts and hospitality registers
- Financial Statement audit risks for 2022/23
- Waivers of Financial Regulations in relation to procurement.
- Reports from key risk areas including project assurance, data quality, cyber, data protection, EPRR
- Clinical Audit Plan
- Presentations of risk management processes within the divisions
- Update on the actions from the ARC self-assessment that was completed in 2021/22

The Board Assurance Framework is reviewed on a monthly basis by the Board as a whole and is also used by the assurance committees to inform standing agenda items. In addition, each of the Assurance Committees receives deep dives on the risks within their area of responsibility and provides assurance to ARC in their Annual Report as to the Trust's effectiveness in managing those risks. Scrutiny of the management of the financial and operational risks to the organisation is the responsibility of the Resources and Business Development Committee, risks pertaining to our workforce falls under the remit of the People and Wellbeing Committee, clinical risks are overseen

by the Safety and Quality Assurance Committee and risks that affect the delivery of the Trust's Research and Innovation Strategy are the responsibility of the Research and Innovation Committee.

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. In this way the cycle of control is maintained between the various elements of the governance framework. The Risk Management Forum is the operational assurance mechanism that also reviews the BAF and Corporate Risk Register and reports into the Audit and Risk Committee.

## Nominations Committees

The Trust has established a separate Nominations/Appointments Committee to oversee the appointments 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 – Appointed Governor.
- Su De – Staff Governor.
- Daniel Casson – Public Governor.

During 2022/23 the Committee considered:

- The re-appointment of Non-Executive Director, Ian Quinlan for a final six-month extension; 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 directors, Shalni Arora, Fiona Marston and Fiona Beveridge for second three-year terms of office;
- The appointment of non-executive directors, Jo Revill and John Kelly for an initial three-year terms of office and;
- The appointment of a new Trust Vice Chair.

# NHS Oversight Framework

NHS England and NHS Improvement's Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

- a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
- b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS Foundation Trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

## Segmentation

Alder Hey has been placed in segment 2. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: <https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>.

This segmentation information is the Trust's position as at 31st March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

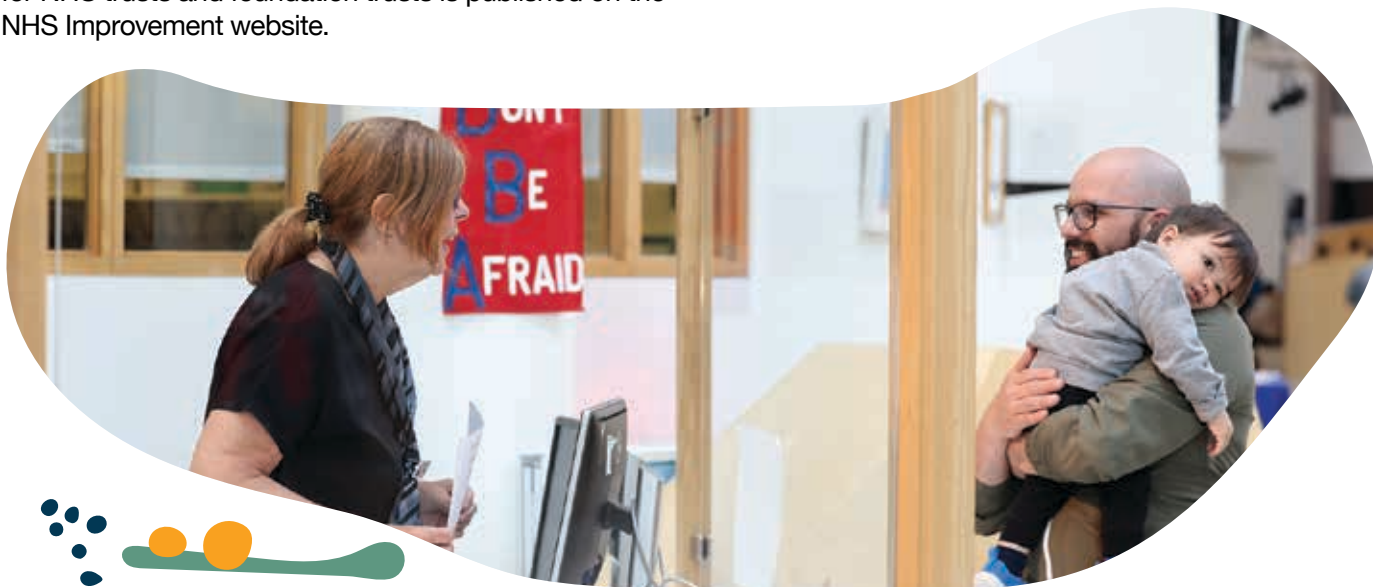
# Voluntary Disclosures

## Equality Report

Alder Hey Children's NHS Foundation Trust aims to create a welcoming experience for all our patients, families and visitors and we are committed to creating a culture that is transparent, diverse and inclusive.

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 which sets out the Trust's commitment to creating an inclusive organisation, which seeks to recognise diversity, promote equal opportunities and supports human rights in the provision of health services for the communities it serves and in its practice as a leading employer.

Equality, diversity and inclusion continues to be an integral part of the Alder Hey values of **Respect** - for each other celebrating difference, **Excellence** - be part of an outstanding organisation, **Innovation** - opportunity to be part of shaping the organisation, **Together** - working together to encourage inclusivity and **Openness** - to share and be listened to each other. In 2022/23 the Trust relaunched the Equality, Diversity, and Inclusion Steering Group, chaired by Non-Executive Director Garth Dallas. The Steering Group will play a crucial governance role in providing strategic coherence and oversight across all matters related to equality, diversity, and inclusion.



## Teddy's Story

Teddy has duchenne muscular dystrophy (DMD), a progressive condition that causes increasing muscular weakness in children and can lead to heart and breathing complications later in life. There currently is no cure for the condition.

Teddy became the first patient at Alder Hey to take part in a ground-breaking gene therapy treatment trial. The treatment involved replacing a defective or missing gene in Teddy's cells with a healthy version. If this treatment works, it will mean his body can make better, stronger muscles, which treats

the underlying problem in DMD. The study will continue for two more years, checking how well the treatment has worked, as well as checking how safe it is.

The NIHR Clinical Research Facility at Alder Hey specialises in undertaking complex studies of medicines at the beginning of their development. Specialist consultants, nurses, pharmacists, play specialists and staff across the Trust have all helped deliver this vital research.

Mum Nicola said:

“

It's the best opportunity that Teddy can be given, but it's also a strong push in the right direction for the future of other children. He's helping others.

”





# 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 England.

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

- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- Confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy;
- 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

27th June 2023

## Adam's Story

Keen footballer Adam was rushed to Alder Hey after complaining of a sore foot. The football fanatic was suffering from a bone infection called osteomyelitis in his right shin. Osteomyelitis can often be treated with antibiotics but sometimes surgery is needed.

Adam had an operation to clean out the infection but this was only the start of his journey. He continued to receive support from the Physio Team to help him walk normally again and eventually get back to playing football.

Mum Emma said:

“

Just nine days after finishing his physio, Adam played in his first football match in over a year and even scored for his local team Evolution JFC! We would like to thank all the Alder Hey staff involved in Adam's care. Nothing ever seemed too much trouble for them and they always aimed to go above and beyond looking after Adam. Particular thanks goes to Dr. Prior and his team in their contribution to Adam's care and recovery.

”





# 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 2023 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 Chief Finance Officer/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; during 2022/23 the Executive responsibility for risk management has been delegated to the Director of Corporate Affairs. The Associate Director of Nursing and Governance is the operational lead for risk management, accountable to the Director of Corporate Affairs 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 Office 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 Chief Finance Officer/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 directors and 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 a risk management module. They ensure that they practice within the standards of their professional bodies, national standards and Trust policies, procedures and guidelines.

During the year 2022/23, whilst continually encouraging a strong reporting culture, the Trust's performance position in relation to incident reporting dipped slightly compared to previous years.

The most recently published data in October 2022, covering the period from April 2021 to March 2022, showed that Alder Hey had moved from third to fifth overall of acute specialist trusts in respect of the highest rate of incident reporting per 1,000 bed days.

The Trust moved from being the highest reporter to the second highest reporting paediatric Trust but achieved the shortest time between an incident occurring and it being reported to NRLS, when benchmarked nationally in line with peer organisations, with a mean of just four days.

The Trust continues to demonstrate a positive safety ethos and promotes an open, transparent incident reporting culture in order to prioritise immediate learning and ensure remedial actions are implemented and embedded, leading to changes in practice and improved services for children and young people.

To support the effective delivery of the Trust's Risk Management Strategy, work has continued to improve the functionality of the Ulysses risk management system during 2022/23, including improvements to the flexibility of required 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, the Trust Risk Management Forum and divisional integrated assurance governance groups, to better drive the management, including mitigation of risks.

During the year regular monthly 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. Work has also continued to further develop the governance of risk processes thus providing assurance to the Trust Board regarding the effective management of risk.

Training sessions continued 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.

During the year as we started to transition to implementation of the National Patient Safety and Patient Safety Incident Response Framework (PSIRF) in 2023, we recognised that the current electronic risk and incident management system, Ulysses, is not PSIRF compliant and would require significant development to achieve this. The Trust is committed to providing a modern and robust risk and incident management platform that is fully PSIRF compliant, will improve the functionality of reporting and management systems and can be used as a tool to further mitigate risks raised that could impact on patient safety or improve patient experience.

As a result, following a thorough procurement process undertaken in collaboration with Liverpool Heart and Chest NHS Foundation Trust, the current risk and incident management system, Ulysses was replaced in April 2023 with a new system: 'InPhase'. Training commenced early April 2023 with data being extracted from Ulysses and migrated over to InPhase to allow reporting from the new solution. In addition to the incident and risk modules, the Trust is also working with



the supplier to enable a number of other key activities to be captured on the system including complaints, compliments, claims and Freedom to Speak Up concerns. This will enable a rounded suite of reports to support delivery of the Patient Safety Strategy.

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. In addition, each assurance committee undertook a ‘deep dive’ of each of the strategic risks under its purview during the year on a rotational basis, using a standard approach developed for consistency in helping to gauge risk appetite. The focus of these exercises was to review the rationale for the current score, examine the mitigations currently in place and establish if the actions planned were sufficiently robust. During the year, the Board and Assurance Committees continued to maintain oversight of corporate risks directly linked to the BAF risks allowing a line of sight on key operational risks that could threaten delivery of the strategic plan. The BAF continues to support the construction and 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 2022/23.



## The Risk and Control Framework

2022/23 saw the NHS slowly emerge from the COVID-19 pandemic and learn to adjust to ‘the new normal’ together with the rest of society. Recovery remained the key focus: both to treat the backlog of patients accumulated in the years before, as well as to ensure sustainability into the future. At the start of the pandemic, the Board at Alder Hey had taken stock of the way in which it had operated and governed itself within the ‘reducing the burden’ framework offered to NHS organisations by NHSI/E. This resulted 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 assurance committees that were revised as part of the re-set have continued to operate in accordance with the agreed principles of a greater focus on risk, measurable improvement and effective use of time; they have again reviewed their effectiveness at the end of 2022/23 via an Annual Report against the agreed terms of reference.

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 2022/23.

The strategy provides a robust framework for the systematic identification, assessment, treatment and monitoring of risks, whether the risks are clinical, organisational, business, financial or environmental. Its purpose is to minimise risks to patients, staff, visitors and the organisation as a whole by ensuring that effective risk management systems and processes are implemented in all areas of service provision, and that these are regularly reviewed. The key elements of the strategy include:

- A definition of risk management;
- The Trust’s policy statement and organisational philosophy in relation to risk management as an integral part of our corporate objectives, goals and management systems;
- Strategic vision for risk management across the organisation;
- Roles, responsibilities and accountabilities;
- Governance structures in place to support risk management, including terms of reference of key committees.

The Board Assurance Framework, which focuses on identifying and monitoring the principal 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 system working. In 2022/23

each of the main assurance committees was asked to undertake a review of the risk tolerance scores for the BAF risks within the categories under their remit, including current scoring, threshold descriptors where they exist and to determine what those may be where they do not. The next phase of this work is for the Audit and Risk Committee to consider the risk profile that this presents during the first quarter to 2023/24 and make any recommendations that arise to the Board when it next considers its overall appetite; this may include the adjustment of thresholds or differentiation of categories.

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 into 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.

During 2022/23 the Trust established its Corporate Services Collaborative initiative. The aim of this is to bring the 12 non-clinical service departments together using a Brilliant Basics approach to focus on particular issues and areas for improvement identified via aggregated performance data across the same metrics used by the clinical divisions at their performance reviews. In addition to workforce and financial data, the monthly collaborative meetings which are chaired by the Director of Corporate Affairs and attended by corporate heads of department or deputy directors, also look at a corporate services risk register for risks rated high moderate and above. The group uses a ‘hot spots’ approach to focus on particular areas of risk. This collective and mutually supportive methodology has been welcomed by participants as a means of reducing the risk of ‘silo’ working across these areas and look for opportunities for sharing of good practice, resources and solutions in order to better support clinical service provision.

Alder Hey continues to operate a successful



“  
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clinically led management model, with the divisional clinical directors for medicine, surgery, community and mental health services and research attending all board meetings as members of the Executive Team. This has demonstrably improved engagement and cross-divisional working, over the seven years it has been in operation, also providing enriched debate and decision-making. The strength of this model was also clearly visible during the pandemic, when strong collegiate clinical leadership was key to service sustainability in a changing environment. 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).

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 continues to scrutinise 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 domains 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.

In the third quarter of the year, the Trust held a CQC 'Spotlight Week,' the aim of which was to assess the organisation's performance against CQC standards and provide an indication of its state of preparedness for inspection. A number of senior nursing colleagues from other paediatric providers very kindly assisted the Chief Nurse in leading the peer review-based assessments across the full range of services. Each

area received detailed feedback on areas of good practice and compliance and any aspects that could be improved. Significant learning was taken from the process and this will be adapted to develop the methodology going forward.

The monthly engagement meetings held between the Trust's local CQC inspectors and a number of the executive directors has also provided an invaluable means by which to continually self-assess performance against expected standards. The Trust has worked with CQC colleagues to develop an ongoing dialogue with regard to the performance of the Trust's core services based on an agreed data set submitted to the inspectors in advance. In the past year, urgent care, medicine, diagnostics, surgery and end of life have been reviewed. The Trust has found this ongoing relationship to be a positive and constructive one, as well as a means of sharing information with regard to how the CQC is progressing with the implementation of its new strategy.

The Board at Alder Hey continues to regularly 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 2022/23, the Committee continued to operate on a 'governance lite' basis to ensure most effective use of time; initially its focus was on post-pandemic restoration and access to services, with the second half of the year moving towards the new approach to patient safety with reports being received from the newly established Patient Safety Board which is co-chaired by the chief medical and nursing officers. Regular reports were also received on the Trust's three key quality and safety priorities relating to the deteriorating patient, safe medicines management and parity of esteem. 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 2022/23 the Trust's programme of quality assurance ward/department rounds continued with the 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).

During the year approximately 30 QAR's were held which is nearing the pre-pandemic level the organisation had historically achieved in order to gain widespread coverage across our service portfolio. Key themes to emerge from the process were as follows:

### Successes

- Improved reporting of incident themes.
- Services showing best practice.
- Good governance structures to MDTs.
- Positive feedback from FFT Survey.
- Supporting staff well-being through SALs.
- Staff go above and beyond.
- Development of roles to support retention of staff and sustainability of service.
- Introduction of well-being programme.
- New equipment allowed service to support acute work in a timely manner.
- Apprenticeship programme to upskill staff.
- Increase in workforce and skill-mix.

### Challenges

- Gaps in service due to staffing issues due to vacancies.
- Waiting list backlog.
- Recruitment and workforce issues.
- Staff turnover.
- Staff resilience - staff sickness and burnout.
- Staff morale.
- Shortage of clinic room space.
- Health & wellbeing.
- Resource issues.
- Staff training/skill mix.
- Staff referrals waiting list.
- Increased referrals of patients due to mental health concerns.
- Increased number of social care admissions.

Any risks associated with the identified QAR challenges are addressed at the point of presentation with a solution focused approach.

The Integrated Performance Report – formerly the Corporate Report - was further developed during the year thanks to the significant gains made by the Trust in terms of its business intelligence capability. The 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. Over the summer of 2022 a significant piece of work was undertaken, consistent with the Brilliant Basics approach adopted in the Trust and the national “Making Data Count” principles. A summary of the improvements resulting from this review is as follows:

- Reduction in overall length so the report is more manageable, with main report now 15-18 pages, plus 2 pages per Division (previous format was up to 60 pages in total).
- Overall reduction in volume of metrics, helping to focus on what matters.
- Use of “watch/drive” metrics to differentiate priorities.
- Use of SPC charts, with up to 24 months of data to give greater insight and show performance trajectory more clearly (removing RAG rating).
- Structured sections of narrative to succinctly celebrate successes, highlight areas of concern and focus on actions.





- More metrics for Research, improving parity and consistency with the other clinical divisions.
- Divisions have much more succinct performance summary for Trust Board -with additional details to be reported at Executive led performance reviews.
- Corrected previous omissions of Risk Management, Digital, Corporate Services, and Estates & Facilities, making the new report more comprehensive and genuinely an *integrated* performance report.

In addition, the report is structured around the CQC Domains and clearly aligns to the Trust's five priorities from the 2022/23 Annual Plan. The new report was implemented from October 2022. The non-executive directors were involved in the development of the new report and continue to provide regular feedback on the report and on the presentation of individual indicators.

As the NHS emerged from the pandemic the Board turned its attention to the recovery of services; issues arising from the backlog including acute attention to the safe management of waiting lists; and anticipation of a surge in 'normal' paediatric respiratory viruses that had been suppressed during the pandemic, specifically RSV. The Board Assurance Framework remained as the chief tool in assessing and mitigating the threats to delivery of the Trust's strategic plan underpinned by the annual risk appetite review, which as described above, will in the coming year be informed by the in-depth review of risk tolerances.

Alder Hey's staff groups participated in the national ballots held by the major health trades unions during the year with regard to historical pay issues and their impact. This resulted in lawful industrial action being taken by a number of professional staff groups including nurses, physiotherapists and junior doctors over the agreed periods of time. The Trust engaged fully with regional and national representatives and strike committees to ensure that there was clarity with regard to service derogations and commensurate internal contingency plans were in place. The first priority for all concerned was the continuing safety of our patients and preservation of the highest quality services. At no time was this compromised and Alder Hey was pleased to work in partnership with trade union colleagues and staff to ensure that this promise was upheld. As part of this process, the Executive Team reinstated the Gold Command structure that it had effectively employed during the COVID-19 pandemic to manage business continuity issues. This tried and tested system ensured that the organisation was safely managed for the duration of each period of industrial action with no patient safety issues reported.

Although in 2022/23 the Board undertook no formal review of its performance against the Well Led Governance Framework, pending a number of anticipated changes on the Non-Executive side of

the Board, 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 in the post-pandemic recovery period, which saw hybrid working cemented as a permanent option for many staff. The all staff live briefings continued in the year, changing format to a weekly 'Ask the Execs' question and answer session with a monthly post-Board broadcast to give timely feedback from the meeting. 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 continued to work on implementation of the national Wellbeing Guardian principles spearheaded by Dr Fiona Marston, one of our non-executive directors, underpinning both the SALS concept and Trust Values. The role was taken on by Jo Reville a new member of the Non-Executive Team from October 2022. There has continued to be significant focus for the board on providing resources for staff to have their voice heard at Alder Hey, alongside the well-established Freedom to Speak Up model. The Board was pleased to see that the results of the 2022 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. Following the publication of a revised Code of Governance and an addendum to the Guide for Foundation Trust Governors, a comprehensive self-assessment was carried out with relevant actions identified in relation to the focus on system working that both documents contained. This work was presented to the Council of Governors for their assurance in March 2023. In addition, a briefing was provided on NHSE's new

system collaboration guidance which outlined its expectations of providers in the context of the new system architecture.

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 and Risk 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. During the year, Alder Hey continued to proactively recruit nursing staff to ensure sufficient numbers in post to cover known and anticipated gaps for maternity leave and long-term sickness. International recruitment was again a key strand of the Trust's strategy and a further cohort of nurses from India joined us midway through the year. In addition, the Trust approved a business case to increase establishment numbers to ensure that the role of coordinator on each ward could be safeguarded as supernumerary. In relation to medical staffing, the Trust acknowledges the fragility of some of our sub-specialties which are subject to known national – and in some instances – international shortages. Investment in additional consultant and clinical fellow posts and active recruitment across the board has continued in order to sustain fragile services.

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 MBE continued to foster Claire's legacy under the leadership of Garth Dallas who implemented the transition of the Task Force toward a wider equality, diversity and inclusion agenda in support of the staff LGBTQ+ and disability networks as well as the BAME network. Each of these networks has now recruited a staff member as chair and has an Executive sponsor; they will all be supported by the Equality, Diversity and Inclusion Steering Group during the coming year as well as our new EDI lead officer. There are ambitious plans in 2023/24 as part of the Trust's 2030 Vision for this group to become a driving force for change.

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.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance. Members of the public can view register by visiting <https://alderhey.mydeclarations.co.uk/home>

## 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 suspension of formal contracting arrangements over the last two years and with the statutory formation of Integrated Care Boards (ICB), contracting arrangements were re-established for the financial year 2022/23 and an updated financial framework put in place.

A series of simplified contracting and funding arrangements were maintained throughout the year, along with an incentive model to those organisations able to accelerate recovery of the Elective Programme through the Elective Recovery Fund.

The key areas of the 2022/23 financial framework included:

- Continuation of system level financial envelope and expectation of system financial balance.
- Continuation of block income payments, rolled over from 2021/22 adjusted for inflation.
- Continuation of national Elective Recovery Fund (ERF) with min target of 104% activity recovery compared to pre pandemic levels.
- The continued suspension of contract incentives and sanctions.
- The parameters for additional funding to support elective recovery.
- Continued emphasis on system working and collaboration.

During the year, the Trust has continued to develop a robust response to the challenges set and continue to be part of the Children's Hospital Alliance with a focus on sharing best practice and collaboration to improve paediatric services across the country.

The Board also continue 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 to maintain their response to the financial challenges imposed upon the organisation and the Cheshire and Mersey system.

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.

Collaboration with specialist trusts across Liverpool strengthens with the formation of Health Procurement Liverpool and the iDigital service, both of which are delivering both resilience and efficiency benefits.

### **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.
- To deliver the arrangements for 2022/23 the Trust set robust budgets signed off in line with the SFIs (Standing Financial Instructions) of the organisation. These budgets included an efficiency CIP (Cost Improvement Plan target) of over 2% that was tracked monthly to ensure delivery.
- The Resource and Business Development Committee received monthly assurance on the ongoing financial position and associated risks.
- Whilst the Trust remained accountable to NHSEI (NHS England and Improvement) in the governance structure, the formal formation of Cheshire and Merseyside Integrated Care Board added an additional layer of scrutiny and assurance for the system. The Trust reported the financial position as well as key risks and mitigations to the ICB on a monthly basis prior to formal submission to NHSEI.
- In addition to the above, further assurance was provided during 2022/23 through the Independent Audit of the Healthcare Financial Management Association Finance Sustainability Review checklist in which the Trust received a “green” rating.

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 dashboard report to the Executive Team Meeting.

The Trust’s partnership with KPMG and the Point of Care Foundation to create an Operational Excellence programme at Alder Hey was concluded during 2022/23 and the methodology has now been incorporated into the organisation’s ‘business as usual’ via the Trust’s Brilliant Basics programme. The aim of Brilliant Basics is to drive strategy into action through a number of workstreams, managed by an Executive scorecard to provide a monthly snapshot of whether the organisation is moving towards delivery against its strategic priority areas. This dashboard consists of driver and watch metrics which will assist the Board and its committees in measuring effectiveness. 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 has implemented key areas of improvement relating to leading and learning with the cascade of this into the rest of the organisation being rolled out throughout the year including via our successful Strong Foundations Programme. In addition, the Executive Team has sponsored the Leader Standard Work approach to our performance routines and meetings. This has included the introduction of the Daily Safety Briefing each morning, chaired by an Executive Director, that focuses and centres our Trust Leadership Team each day on the issues and risks that may impact upon the delivery of safe care, but always with a practical, solution-based approach.

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.

## Digital Futures

- In July 2022, Alder Hey formally closed its Digital Futures Strategy. Digital Futures had a huge impact across a range of outcomes for Alder Hey and delivered significant benefits and a number of external accreditations were achieved over its 3-year delivery. Following this, a new Digital and Data Futures Strategy was launched, developed over the with a range of stakeholders internally and externally. It had significant clinical input, divisional input and portrays the priorities of our children, young people and their families.
- There have been a number of digital projects delivered at Alder Hey over the last year including the Symptom Checker, an online tool to support families with appropriate advice, guidance and signposting depending on their child's symptoms. Digital communications have also been implemented as a replacement for paper correspondence, introducing a number of efficiencies for the Trust and for families.
- iDigital, an integrated digital service supporting both Alder Hey and Liverpool Heart and Chest hospitals, has gone from strength to strength. In August 2022, the iDigital Team was awarded the Skills and Development Network Excellence in Informatics Level 3 Award, recognition of the investment and commitment to the digital workforce across both organisations.

## Information Governance

The Data Security and Protection Toolkit (DSPT) baseline assessment for 2022/23 was submitted in February 2023, with the final submission to be completed in June 2023. 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. It is anticipated the Trust will submit a fully compliant return for 2022/23 following on from the compliant 'standards met' submission achieved in 2021/22.

The information governance function continues to work collaboratively in partnership with Liverpool Heart and Chest Hospital to further strengthen and enhance processes and controls across all areas of information governance and cyber security. Outputs and delivery of the information governance work programme are monitored through the Trust's governance and committee structures.

There were no reportable data security incidents to the Information Commissioners Office during 2022/23.

## 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 access to services and the Chief Information and Digital Officer is responsible for data quality.

During the year the Trust's internal quality and performance metrics, which form the Integrated Performance Report, were reviewed in a detailed piece of work described above. The quality metrics are reviewed in detail by the Safety and Quality Assurance Committee and the totality of indicators, by the Board of Directors on a monthly basis. During 2022/23 the divisional directors continued to report on their own specific KPIs, including highlights and exceptions. The Board as a whole also underwent a training session with colleagues from NHS Providers and NHS England with regard to latest practice in data analytics and interpretation.

In the past two years, a significant amount of work has been undertaken by the Trust to ensure accurate and timely data and reporting:

- The Data Quality policy was updated to reflect the changes in DQ governance within the Trust, along with alignment to new national standards.
- The Data Quality Steering Group was re-set as part of the governance structure reporting via the Digital Oversight Group up to the Resources and Business Development Committee.
- A Data Validation Team has been established, following the work emerging from the Safe waiting list programme to ensure future planning and sustainability. The aim is to enhance the data quality checks and daily validation of our waiting lists across the Trust, supporting the care and need for our children and young people.
- A data quality dashboard has been established as a live management tool for operational managers and pathway coordinators.

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. Alder Hey is currently in the process of a significant upgrade to their EPR

system (Meditech). Due to the changes between the current (v608) and future (Expanse) version of Meditech, the Programme is undertaking a detailed and managed data migration exercise. The management and monitoring of data quality is significant to this process, along with the assurance needed by the Alder Care Programme Board.

Alder Hey's Board has identified a well-articulated and closely monitored strategic risk relating to timely access to high quality services for our children and young people. This has continued to be a clear focus during 2022/23, in the post-pandemic recovery period. A number of actions have been taken by the clinical divisions to mitigate issues relating to long waits that accumulated during the COVID-19 crisis:

- Investing in capacity and workforce and increasing the number of patients beyond pre-COVID 19 levels. We have secured £5 m to invest in a new paediatric elective hub.
- Introduction of a virtual ward to provide more care at home, and an Artificial Intelligence tool to provide support to patients at risk of not attending hospital appointments.
- Additional support and local action plans for challenged specialties (Dental, Spinal, ENT, Gastro, Neuro).
- ED @ Its Best Programme with the Emergency Department leading work on communication, wellbeing and service developments, including a digital symptom checker and the opening of a new Urgent Treatment Centre.
- Safe Waiting List Management Group to oversee waiting list data quality and clinical prioritisation of planned care.
- Diagnostic recovery plan which is seeing full compliance with the six week standard for imaging services, and improving access for sleep studies (driven in part by the introduction of a new home sleep study service), gastroscopy and urodynamics.



## 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 Risk Management Forum and divisional performance reviews;
- Internal Audit provides quarterly reports to the Audit and Risk Committee and full reports to the Chief Finance Officer and other Trust officers;
- The Chief Finance Officer 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 Risk Management Forum;
- 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 these remain fewer in number than usual because of COVID-19 backlog and recovery across the whole healthcare system, there have been other independent assessments against key areas of control which provide assurance, for example:

- Quality Assurance North West
- Children in Care Inspection
- Patient Led Assessments of the Care Environment
- UKAS inspection Medical laboratories – requirements for quality and competence (ISO 15189:2012)
- Human Tissue Authority (mortuary)
- MHRA (Blood Bank compliance)
- HSE (Laboratory)

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 2022/23 no significant internal control issues have been identified.

Signed:

*Louise Shepherd*

**LOUISE SHEPHERD CBE**

**Chief Executive**  
**27th June 2023**



## Justina's Story

16-year-old Justina has complex physical health needs and severe learning difficulties. She was recently referred to Alder Hey for multiple treatments but her appointment had to be postponed as she was really anxious.

To help Justina feel more comfortable having treatment, the team at Alder Hey decided to get creative for her next visit. They held up pictures

of popular characters from Justina's favourite TV show around the ward to make her feel at ease. As a result, Justina loved her visit and even shouted a line from the show to the amazing staff on her way out!



Mum  
Dionne said:

“As Justina has had so much intervention in her life, she has high levels of anxiety going to the hospital. I cannot applaud the Acute Liaison Learning Disability Team and the theatre staff enough!”



# Annual Accounts

## Foreword to the Accounts

### Alder Hey Children's NHS Foundation Trust

These accounts, for the year ended 31 March 2023, 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

27th June 2023



# Statement of Comprehensive Income

	Note	2022/23 £000	2021/22 £000
Operating Income from Patient Care Activities	3	350,662	338,636
Other Operating Income	4	40,578	48,672
Operating Expenses	6, 8	(364,829)	(379,775)
<b>Operating Surplus from Continuing Operations</b>		<b>26,411</b>	<b>7,533</b>
Finance Income	10	1,709	44
Finance Expenses	11	(9,151)	(9,300)
PDC Dividends Payable		(2,296)	(1,113)
<b>Net Finance Costs</b>		<b>(9,738)</b>	<b>(10,369)</b>
Other Gains	12	55	84
Share of Profit/(Losses) of Associates/ Joint Arrangements	19	-	-
Corporation Tax Expense		-	-
<b>Surplus/(Deficit) for the Year From Continuing Operations</b>		<b>16,728</b>	<b>(2,752)</b>
Surplus/(Deficit) on Discontinued Operations and the Gain/ (Loss) on Disposal of Discontinued Operations	14	-	-
<b>Surplus/(Deficit) for the Year</b>		<b>16,728</b>	<b>(2,752)</b>
<b>Other Comprehensive Income</b>			
<b>Will Not be Reclassified to Income and Expenditure:</b>			
Impairments	7	(564)	-
Revaluations	17	19,523	5,404
Share of Comprehensive Income from Associates and Joint Ventures	19	-	-
Fair Value Gains/(Losses) On Equity Instruments Designated at Fair Value Through OCI	20	-	-
Other Recognised Gains and Losses		-	-
Remeasurements of the Net Defined Benefit Pension Scheme Liability/Asset	36	-	-
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	20	-	-
Recycling Gains/(Losses) on Disposal of Financial Assets Mandated at Fair Value through OCI	12	-	-
Foreign Exchange Gains/(Losses) Recognised Directly in OCI		-	-
<b>Total Comprehensive Income/(Expense) for the Period</b>		<b>35,687</b>	<b>2,652</b>

# Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
<b>Non-Current Assets:</b>			
Intangible Assets	14	31,434	32,201
Property, Plant and Equipment	15	266,343	233,126
Right of Use Assets	18	4,744	
Investment Property	20	-	-
Investments in Associates and Joint Ventures	19	-	-
Other Investments/Financial Assets	20	-	-
Receivables	23	388	1,381
Other Assets	25	-	-
<b>Total Non-Current Assets</b>		<b>302,909</b>	<b>266,708</b>
<b>Current Assets:</b>			
Inventories	22	4,449	3,752
Receivables	23	28,093	23,224
Other Investments/Financial Assets	20	-	-
Other Assets	25	-	-
Non-Current Assets for Sale and Assets in Disposal Groups	26.1	-	-
Cash and Cash Equivalents	27	83,478	91,463
<b>Total Current Assets</b>		<b>116,020</b>	<b>118,439</b>
<b>Current Liabilities:</b>			
Trade and Other Payables	28	(70,311)	(76,848)
Borrowings	30	(6,032)	(5,412)
Other Financial Liabilities	31	-	-
Provisions	32	(11,149)	(6,197)
Other Liabilities	29	(4,142)	(3,332)
Liabilities in Disposal Groups	26.2	-	-
<b>Total Current Liabilities</b>		<b>(91,634)</b>	<b>(91,789)</b>
<b>Total Assets Less Current Liabilities</b>		<b>327,295</b>	<b>293,358</b>
<b>Non-Current Liabilities</b>			
Trade and Other Payables	28	-	-
Borrowings	30	(132,917)	(134,159)
Other Financial Liabilities	31	-	-
Provisions	32	(2,282)	(7,333)
Other Liabilities	29	(3,067)	(3,284)
<b>Total Non-Current Liabilities</b>		<b>(138,266)</b>	<b>(144,776)</b>
<b>Total Assets Employed</b>		<b>189,029</b>	<b>148,582</b>
<b>Financed by</b>			
Public Dividend Capital		99,299	94,539
Revaluation Reserve		20,907	7,107
Financial Assets Reserve		-	-
Other Reserves		-	-
Merger Reserve		-	-
Income and Expenditure Reserve		68,823	46,936
<b>Total Taxpayers' Equity</b>		<b>189,029</b>	<b>148,582</b>

The notes on pages 137 to 185 form part of these accounts.

Signed: *Louise Shepherd*

**LOUISE SHEPHERD CBE**  
Chief Executive  
27th June 2023

# Statement of Changes in Equity for the Year Ended 31 March 2023

	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 2022 - Brought Forward</b>	94,539	7,107	-	-	-	46,936	148,582
Implementation of IFRS 16 on 1 April 2022	-	-	-	-	-	-	-
Surplus/(Deficit) for the Year	-	-	-	-	-	16,728	16,728
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	-	-	-	-	-	-	-
Impairments	-	(564)	-	-	-	-	(564)
Revaluations	-	19,523	-	-	-	-	19,523
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	4,760	-	-	-	-	-	4,760
Public Dividend Capital Repaid	-	-	-	-	-	-	-
Public Dividend Capital Written Off	-	-	-	-	-	-	-
Other Movements in Public Dividend Capital in Year	-	-	-	-	-	-	-
Other Reserve Movements	-	(5,159)	-	-	-	5,159	-
<b>Taxpayers' and Others' Equity at 31 March 2023</b>	99,299	20,907	-	-	-	68,823	189,029

# 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>
Prior Period Adjustment	-	-	-	-	-	-	-
<b>Taxpayers' and Others' Equity at 1 April 2021 - Restated</b>	<b>86,918</b>	<b>1,722</b>	-	-	-	<b>49,669</b>	<b>138,309</b>
Surplus/(Deficit) for the Year	-	-	-	-	-	(2,752)	<b>(2,752)</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	-	(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>

## 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.

### Income and Expenditure Reserve

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



# Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
<b>Cash Flows from Operating Activities</b>			
Operating Surplus		26,411	7,533
<b>Non-Cash Income and Expense:</b>			
Depreciation and Amortisation	6.1	14,067	12,583
Net Impairments	7	(10,109)	1,137
Income Recognised in Respect of Capital Donations	4	(3,254)	(451)
Amortisation of PFI Deferred Credit		(137)	(137)
(Increase) in Receivables and Other Assets		(5,141)	(3,192)
(Increase) in Inventories		(697)	(235)
Increase/(Decrease) in Payables and Other Liabilities		(1,988)	7,757
Increase/(Decrease) in Provisions		(108)	11,541
<b>Net Cash Flows/(Used in) Operating Activities</b>		<b>19,044</b>	<b>36,536</b>
<b>Cash Flows from Investing Activities</b>			
Interest Received		1,709	44
Purchase of Intangible Assets		(8,030)	(4,712)
Purchase of PPE and Investment Property		(13,943)	(25,855)
Sales of PPE and Investment Property		55	84
Receipt of Cash Donations to Purchase Assets		3,254	256
<b>Net Cash Flows From/(used in) Investing Activities</b>		<b>(16,955)</b>	<b>(30,183)</b>
<b>Cash Flows from Financing Activities</b>			
Public Dividend Capital Received		4,760	7,621
Movement on Loans from the Department of Health and Social Care		(2,759)	(2,759)
Capital Element of Finance Lease Rental Payments		(683)	(174)
Capital Element of PFI, LIFT and Other Service Concession Payments		(2,429)	(2,440)
Interest on Loans		(923)	(974)
Interest Paid on Finance Lease Liabilities		(44)	(13)
Interest Paid on PFI, LIFT and Other Service Concession Obligations		(8,183)	(8,323)
PDC Dividend (Paid)/Refunded		187	(536)
<b>Net Cash Flows from/(used in) Financing Activities</b>		<b>(10,074)</b>	<b>(7,598)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(7,985)</b>	<b>(1,245)</b>
<b>Cash and Cash Equivalents at 1 April - Brought Forward</b>		<b>91,463</b>	<b>92,708</b>
Prior Period Adjustments		-	-
<b>Cash and Cash Equivalents at 1 April - Restated</b>		<b>91,463</b>	<b>92,708</b>
Unrealised Gains/(Losses) on Foreign Exchange		-	-
<b>Cash and Cash Equivalents at 31 March</b>	27.1	<b>83,478</b>	<b>91,463</b>

# Notes to the Accounts

## 1. Accounting Policies and Other Information

### 1.1 Basis of Preparation

NHS England 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 2022/23 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 £26,411k and recorded an accounting surplus of £16,728k, primarily due to reversal of prior year impairments against assets. The Trust also achieved a control total surplus of £5.5m 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 2023/24 there will be a 'blended' approach to funding in England. Some elements will be 'variable': elective points of delivery will be funded based on actual activity undertaken, and there will be some adjustments for quality performance. All other areas will remain block funded.

The Trust has produced its financial plans for 2023/24 based on these assumptions which have been approved by the Trust Board and by the Cheshire & Merseyside ICS level. The control target for the 2023/24 year agreed with ICS is a £11.9m surplus. The Trust has a proven track record of consistently meeting the performance and control totals set by the regulator and over the last five 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 30/09/2024, with internal base case and downside scenarios for liquidity assessed to September 2024. This includes assessment of the full 2023/24 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 2023/24 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 2024. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period with a minimum cash position of £55m. 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 (eg 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. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

### 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 an estimate of leave outstanding following feedback from management. The Trust's annual leave policy clearly states that annual leave is expected to be taken in the year it relates to and only carried forward on an exceptional basis and with agreement from managers upto five days.

## **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, e.g. 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 (ie 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 and LIFT 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 a finance cost 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.

### Useful Lives of Property, Plant and Equipment

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

	Minimum Life Years	Maximum Life Years
Land	-	-
Buildings, Excluding Dwellings	1	80
Dwellings	40	40
Plant & Machinery	1	20
Transport Equipment	-	-
Information Technology	5	11
Furniture & 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, e.g. application software, is capitalised as an intangible asset.

### Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated 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	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 2021/22 and 2022/23 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

## 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, ie, 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 leasing arrangements 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 derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

## 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.

## 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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

### The Trust as a Lessee

#### Recognition and Initial Measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

### Subsequent Measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employed the cost model as this was considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. This method was chosen over the revaluation model for subsequent measurement of right of use assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

### The Trust as a Lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

#### 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

Income from operating leases is recognised on a straight-line basis or another systematic 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.



## Initial Application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

### The Trust as Lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

### The Trust as Lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

### 2021/22 Comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line or other systematic basis.



## 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 2023:

		Nominal Rate	Prior Year Rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
Very long-term	Exceeding 40 years	3.00%	0.66%

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 2023:

	Inflation Rate	Prior Year Rate
Year 1	7.40%	4.00%
Year 2	0.60%	2.60%
Into Perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

## 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 34.2 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 35 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 35, 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.

### 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 2022/23.

### 1.28 Standards, Amendments and Interpretations in Issue but not yet Effective or Adopted

#### IFRS 16 Leases - Application of Liability Measurement Principles to PFI and Other Service Concession Arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to the Retail Price Index (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. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. 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 2022/23.

### 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)

	2022/23 £000	2021/22 £000
<b>Acute Services</b>		
Income from commissioners under API contracts*	227,563	236,560
High Cost Drugs Income from Commissioners (Excluding Pass-Through Costs)	38,013	30,264
Other NHS Clinical Income	20,711	20,388
<b>Mental Health Services</b>		
Income from commissioners under API contracts*	20,063	18,151
<b>Community Services</b>		
Income from commissioners under API contracts*	19,263	13,512
Income from other sources (e.g. local authorities)	818	1,038
<b>All Services</b>		
Private Patient Income	114 s	474
Elective Recovery Fund	7,486	9,488
Agenda for Change Pay Offer Central Funding **	7,544	
Additional Pension Contribution Central Funding ***	8,684	8,131
Other Clinical Income	403	630
<b>Total Income from Activities</b>	<b>350,662</b>	<b>338,636</b>

\*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National Tariff payments system documents.

<https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/>

\*\* Accrual relates to the potential pay award announced by the government, that has yet to be agreed as at 31st March.

\*\*\*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)

	2022/23 £000	2021/22 £000
<b>Income from Patient Care Activities Received from:</b>		
NHS England	221,674	182,851
Clinical Commissioning Groups	24,821	127,928
Integrated Care Boards	76,792	
Other NHS Providers	1,481	1,859
Local Authorities	818	1,038
Non-NHS: Private Patients	114	474
Non-NHS: Overseas Patients (Chargeable to Patient)	3	22
Injury Cost Recovery Scheme	401	608
Non NHS: Other	24,559	23,856
<b>Total Income from Activities</b>	<b>350,662</b>	<b>338,636</b>
<b>Of Which:</b>		
Related to Continuing Operations	350,662	338,636
Related to Discontinued Operations	-	-

### 3.3 Overseas Visitors (Relating to Patients Charged Directly by the Provider)

	2022/23 £000	2021/22 £000
Income Recognised this Year	3	22
Cash Payments Received In-Year	3	22
Amounts Added to Provision for Impairment of Receivables	-	-
Amounts Written off In-Year	5	-



## 4. Other Operating Income

	2022/23			2021/22		
	Contract Income	Non-Contract Income	Total	Contract Income	Non-Contract Income	Total
	£000	£000	£000	£000	£000	£000
Research and Development	5,270	-	5,270	5,793	-	5,793
Education and Training	9,821	-	9,821	10,672	-	10,672
Non-Patient Care Services to Other Bodies	10,977	-	10,977	24,212	-	24,212
Reimbursement and Top Up Funding	296	-	296	1,784	-	1,784
Income in Respect of Employee Benefits Accounted on a Gross Basis	612	-	612	621	-	621
Receipt of Capital Grants and Donations and Peppercorn Leases	-	3,254	3,254	-	451	451
Charitable and Other Contributions to Expenditure	-	1,182	1,182	-	1,253	1,253
Support from the Department of Health and Social Care for Mergers	-	-	-	-	-	-
Rental Revenue From Finance Leases (Variable Lease Receipts)	-	-	-	-	-	-
Revenue From Operating Leases	-	-	-	-	-	-
Amortisation of PFI Deferred Income/Credits	-	137	137	-	137	137
Other Income	9,029	-	9,029	3,749	-	3,749
<b>Total Other Operating Income</b>	<b>36,005</b>	<b>4,573</b>	<b>40,578</b>	<b>46,831</b>	<b>1,841</b>	<b>48,672</b>
<b>Of Which:</b>						
Related to Continuing Operations			40,578			48,672
Related to Discontinued Operations			-			-

Other income is primarily made up of; car park income, catering, rental, membership contributions, procurement rebates, proceeds from insurance, other grants, other income generation schemes.

### 5.1 Additional Information on Contract Revenue (IFRS 15) Recognised in the Period

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:

	2022/23 £000	2021/22 £000
Income From Services Designated as Commissioner Requested Services	321,758	310,091
Income From Services Not Designated as Commissioner Requested Services	55,313	68,152
<b>Total</b>	<b>377,071</b>	<b>378,243</b>

### 5.2 Additional Information on Contract Revenue (IFRS 15) Recognised in the Period

The Trust has experienced no material gains or losses in relation to the disposal of property, plant and equipment.

## 6.1 Operating Expenses

	2022/23 £000	2021/22 £000
Purchase of Healthcare from NHS Bodies and DHSC Bodies	-	14,585
Purchase of Healthcare From Non-NHS and Non-DHSC Bodies	2,261	2,143
Purchase of Social Care	-	-
Staff and Executive Directors Costs	226,550	208,974
Remuneration of Non-Executive Directors	148	146
Supplies and Services - Clinical (Excluding Drugs Costs)	28,090	27,923
Supplies and Services - General	2,329	2,837
Drug Costs (Drugs Inventory Consumed and Purchase of Non-Inventory Drugs)	49,724	41,242
Inventories Written Down	-	-
Consultancy Costs	549	1,975
Establishment	2,411	3,450
Premises	16,035	18,686
Transport (Including Patient Travel)	630	433
Depreciation on Property, Plant and Equipment	9,174	8,515
Amortisation on Intangible Assets	4,893	4,068
Net Impairments	(10,109)	1,137
Movement in Credit Loss Allowance: Contract Receivables/Contract Assets	416	75
Movement in Credit Loss Allowance: All Other Receivables and Investments	139	21
Increase/(Decrease) in Other Provisions	1,288	7,584
Change in Provisions Discount Rate(s)	(62)	(12)
Fees Payable to the External Auditor		
Audit Services - Statutory Audit	195	122
Other Auditor Remuneration (External Auditor Only)	-	-
Internal Audit Costs	-	-
Clinical Negligence	3,831	4,383
Legal Fees	348	952
Insurance	377	317
Research and Development	5,042	4,594
Education and Training	10,579	10,271
Expenditure on Short Term Leases (Current Year Only)	12	
Expenditure on Low Value Leases (Current Year Only)	-	
Variable Lease Payments not Included in the Liability (Current Year Only)	-	
Operating Lease Expenditure (Comparative Only)		566
Early Retirements	102	114
Redundancy	18	82
Charges to Operating Expenditure for On-SoFP IFRIC 12 Schemes (e.g. PFI/LIFT)	4,912	3,993
Charges to Operating Expenditure for Off-SoFP PFI/LIFT Schemes	-	-
Car Parking & Security	997	1,260
Hospitality	25	23
Losses, Ex Gratia and Special Payments	-	-
Grossing up Consortium Arrangements	-	-
Other Services, e.g. External Payroll	379	266
Other	3,546	9,050
<b>Total</b>	<b>364,829</b>	<b>379,775</b>
<b>Of Which:</b>		
Related to Continuing Operations	364,829	379,775
Related to Discontinued Operations	-	-

## 6.2 Other Auditor Remuneration

	2022/23 £000	2021/22 £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	-	-
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>-</b>	<b>-</b>

## 6.3 Limitation on Auditor's Liability

The limitation on auditor's liability for external audit work is £2 million (2021/22: £2 million).

## 7. Impairment of Assets

	2022/23 £000	2021/22 £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	(10,109)	-
Other	-	1,137
<b>Total Net Impairments Charged to Operating Surplus/Deficit</b>	<b>(10,109)</b>	<b>1,137</b>
Impairments Charged to the Revaluation Reserve	564	-
<b>Total Net Impairments</b>	<b>(9,545)</b>	<b>1,137</b>

A full quinquennial valuation of the Trusts owned Land and Buildings took place as at 31st March 2023, undertaken by the Trusts valuers Cushman and Wakefield.

For impairments this valuation exercise resulted in impairments of £4.161m charged to I&E and impairments charged to the revaluation reserve of £564k. There were also reversals of prior year impairments largely to parts of the main PFI hospital totalling -£14.270m taken to operating surplus, creating the net impairments charged to operating surplus of -£9.545m.



## 8. Employee Benefits

	2022/23 £000	2021/22 £000
Salaries and Wages	186,080	173,484
Social Security Costs	17,199	15,146
Apprenticeship Levy	806	747
Employer's Contributions to NHS Pensions	28,514	26,760
Pension Cost - Other	-	-
Other Post Employment Benefits	-	-
Other Employment Benefits	-	-
Termination Benefits	-	-
Temporary Staff (Including Agency)	10,706	9,652
<b>Total Gross Staff Costs</b>	<b>243,305</b>	<b>225,789</b>
Recoveries in Respect of Seconded Staff	(1,998)	(1,593)
<b>Total Staff Costs</b>	<b>241,307</b>	<b>224,196</b>
<b>Of Which</b>		
Costs Capitalised as Part of Assets	2,590	2,728

### 8.1 Retirements Due to Ill-Health

During 2022/23 there were three early retirements from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £582k (£140k in 2021/22).

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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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 actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

HMT published valuation directions dated 7 October 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. Finance Income

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

	2022/23 £000	2021/22 £000
Interest on Bank Accounts	1,709	44
Interest Income on Finance Leases	-	-
Interest on Other Investments / Financial Assets	-	-
Other Finance Income	-	-
<b>Total Finance Income</b>	<b>1,709</b>	<b>44</b>

## 11.

### 11.1 Finance Expenditure

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

	2022/23 £000	2021/22 £000
<b>Interest Expense:</b>		
Interest on Loans from the Department of Health and Social Care	915	971
Interest on Other Loans	-	-
Interest on Overdrafts	-	-
Interest on Lease Obligations	44	13
Interest on Late Payment of Commercial Debt	-	-
Main Finance Costs on PFI and LIFT Scheme Obligations	7,259	7,440
Contingent Finance Costs on PFI and LIFT Scheme Obligations	924	883
<b>Total Interest Expense</b>	<b>9,142</b>	<b>9,307</b>
Unwinding of Discount on Provisions	9	(7)
Other Finance Costs	-	-
<b>Total Finance Costs</b>	<b>9,151</b>	<b>9,300</b>

## 11.2 The Late Payment of Commercial Debts (Interest) Act 1998 / Public Contract Regulations 2015

	2022/23 £000	2021/22 £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	-	-

## 12. Other Gains/(Losses)

	2022/23 £000	2021/22 £000
Gains on Disposal of Assets	55	84
Losses on Disposal of Assets	-	-
<b>Total Gains/(Losses) on Disposal of Assets</b>	<b>55</b>	<b>84</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	-	-
Gains/(Losses) on Remeasurement of Finance Lease Receivables (Lessor)	-	-
Gains/(Losses) on Termination of Finance Leases (Lessor)	-	-
Other Gains/(Losses)	-	-
<b>Total Other Gains/(Losses)</b>	<b>55</b>	<b>84</b>

## 13. Discontinued Operations

	2022/23 £000	2021/22 £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>

## 14. Intangible Assets

### 14.1 Intangible Assets - 2022/23

	Software Licences	Licences & Trademarks	Patents	Internally Generated Information Technology	Intangible assets Under Construction	Other (Purchased)	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/Gross Cost at 1 April 2022 - Brought Forward</b>	<b>37,642</b>	-	-	-	<b>8,941</b>	-	<b>46,583</b>
IFRS 16 Implementation - Reclassification of Existing Finance Leased Assets to Right of Use Assets	-	-	-	-	-	-	-
Transfers by Absorption	-	-	-	-	-	-	-
Additions	299	-	-	-	3,827	-	<b>4,126</b>
Impairments	-	-	-	-	-	-	-
Reversals of Impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/from Assets Held for Sale	-	-	-	-	-	-	-
Disposals/De-recognition	(351)	-	-	-	-	-	<b>(351)</b>
<b>Valuation/Gross Cost at 31 March 2023</b>	<b>37,590</b>	-	-	-	<b>12,768</b>	-	<b>50,358</b>
<b>Accumulated Depreciation at 1 April 2022 - Brought Forward</b>	<b>14,382</b>	-	-	-	-	-	<b>14,382</b>
IFRS 16 Implementation - Reclassification of Existing Finance Leased Assets to Right of Use Assets	-	-	-	-	-	-	-
Transfers by Absorption	-	-	-	-	-	-	-
Provided During the Year	4,893	-	-	-	-	-	<b>4,893</b>
Impairments	-	-	-	-	-	-	-
Reversals of Impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/from Assets Held for Sale	-	-	-	-	-	-	-
Disposals/Derecognition	(351)	-	-	-	-	-	<b>(351)</b>
<b>Amortisation at 31 March 2023</b>	<b>18,924</b>	-	-	-	-	-	<b>18,924</b>
<b>Net Book Value At 31 March 2023</b>	<b>18,666</b>	-	-	-	<b>12,768</b>	-	<b>31,434</b>
<b>Net Book Value At 1 April 2022</b>	<b>23,260</b>	-	-	-	<b>8,941</b>	-	<b>32,201</b>

## 14.1 Intangible Assets - 2021/22

	Software Licences	Licences & Trademarks	Patents	Internally Generated Information Technology	Intangible assets Under Construction	Other (Purchased)	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/Gross Cost at 1 April 2021 - as Previously Stated</b>	<b>22,570</b>	-	-	-	<b>10,210</b>	-	<b>32,780</b>
Prior Period Adjustments	-	-	-	-	-	-	-
<b>Valuation/Gross Cost at 1 April 2021 - restated</b>	<b>22,570</b>	-	-	-	<b>10,210</b>	-	<b>32,780</b>
Transfers by Absorption	-	-	-	-	-	-	-
Additions	3,026	-	-	-	3,027	-	<b>6,053</b>
Impairments	-	-	-	-	-	-	-
Reversals of Impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	12,046	-	-	-	(4,296)	-	<b>7,750</b>
Transfers to/from Assets Held for Sale	-	-	-	-	-	-	-
Disposals/De-recognition	-	-	-	-	-	-	-
<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 - as Previously Stated</b>	<b>10,314</b>	-	-	-	-	-	<b>10,314</b>
Prior Period Adjustments	-	-	-	-	-	-	-
<b>Amortisation at 1 April 2021 - Restated</b>	<b>10,314</b>	-	-	-	-	-	<b>10,314</b>
Transfers by Absorption	-	-	-	-	-	-	-
Provided During the Year	4,068	-	-	-	-	-	<b>4,068</b>
Impairments	-	-	-	-	-	-	-
Reversals of Impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/from Assets Held for Sale	-	-	-	-	-	-	-
Disposals/Derecognition	-	-	-	-	-	-	-
<b>Amortisation at 31 March 2022</b>	<b>14,382</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>

## 15.1 Property, Plant and Equipment - 2022/23

	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 2022 - Brought Forward</b>	4,028	163,605	103	44,018	35,312	-	21,633	6,749	275,448
IFRS 16 Implementation - Reclassification of Existing Finance Leased Assets to Right of Use Assets	-	-	-	-	(439)	-	-	-	(439)
Transfers by Absorption	-	-	-	-	-	-	-	-	-
Additions	2,000	-	-	7,027	3,048	-	71	665	12,811
Impairments	-	(4,725)	-	-	-	-	-	-	(4,725)
Reversals of Impairments	636	-	-	-	-	-	-	-	636
Revaluations	370	20,463	16	-	-	-	-	-	20,849
Reclassifications	600	-	-	(2,107)	43	-	-	1,464	-
Transfers to/ From Assets Held for Sale	-	-	-	-	-	-	-	-	-
Disposals/ De-recognition	-	-	-	-	(597)	-	(258)	-	(855)
<b>Valuation/Gross Cost at 31 March 2023</b>	7,634	179,343	119	48,938	37,367	-	21,446	8,878	303,725
<b>Accumulated Depreciation at 1 April 2022 - Brought Forward</b>	-	10,187	12	-	21,512	-	8,005	2,606	42,322
IFRS 16 Implementation - Reclassification of Existing Finance Leased Assets to Right of Use Assets	-	-	-	-	(266)	-	-	-	(266)
Transfers by Absorption	-	-	-	-	-	-	-	-	-
Provided During the Year	-	2,106	3	-	3,305	-	2,373	702	8,489
Impairments	-	-	-	-	-	-	-	-	-
Reversals of Impairments	-	(13,634)	-	-	-	-	-	-	(13,634)
Revaluations	-	1,341	(15)	-	-	-	-	-	1,326
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/ from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Disposals/ Derecognition	-	-	-	-	(597)	-	(258)	-	(855)
<b>Accumulated Depreciation at 31 March 2023</b>	-	-	-	-	23,954	-	10,120	3,308	37,382
<b>Net Book Value At 31 March 2023</b>	7,634	179,343	119	48,938	13,413	-	11,326	5,570	266,343
<b>Net Book Value At 1 April 2022</b>	4,028	153,418	91	44,018	13,800	-	13,628	4,143	233,126

## 15.2 Property, Plant and Equipment - 2021/22

	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/Gross Cost at 1 April 2021 - as Previously Stated</b>	<b>4,028</b>	<b>158,164</b>	<b>103</b>	<b>33,463</b>	<b>36,163</b>	-	<b>19,780</b>	<b>5,962</b>	<b>257,663</b>
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
<b>Valuation/Gross Cost at 1 April 2021 - restated</b>	<b>4,028</b>	<b>158,164</b>	<b>103</b>	<b>33,463</b>	<b>36,163</b>	-	<b>19,780</b>	<b>5,962</b>	<b>257,663</b>
Transfers by Absorption	-	-	-	-	-	-	-	-	-
Additions	-	-	-	20,062	1,707	-	1,569	787	<b>24,125</b>
Impairments	-	-	-	(1,137)	-	-	-	-	<b>(1,137)</b>
Reversals of Impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	5,404	-	-	-	-	-	-	<b>5,404</b>
Reclassifications	-	37	-	(8,370)	-	-	583	-	<b>(7,750)</b>
Transfers to/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Disposals/De-recognition	-	-	-	-	(2,558)	-	(299)	-	<b>(2,857)</b>
<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>21,633</b>	<b>6,749</b>	<b>275,448</b>
<b>Accumulated Depreciation at 1 April 2021 - as Previously Stated</b>	-	<b>8,136</b>	<b>9</b>	-	<b>20,622</b>	-	<b>5,862</b>	<b>2,035</b>	<b>36,664</b>
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation at 1 April 2021 - Restated</b>	-	<b>8,136</b>	<b>9</b>	-	<b>20,622</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	<b>8,515</b>
Impairments	-	-	-	-	-	-	-	-	-
Reversals of Impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Disposals/Derecognition	-	-	-	-	(2,558)	-	(299)	-	<b>(2,857)</b>
<b>Accumulated Depreciation at 31 March 2022</b>	-	<b>10,187</b>	<b>12</b>	-	<b>21,512</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>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>13,918</b>	<b>3,927</b>	<b>220,999</b>

## 15.3 Property, Plant and Equipment Financing - 31 March 2023

	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
Owned - Purchased	7,634	8,223	119	45,898	8,161	-	10,637	5,467	<b>86,139</b>
On-SoFP PFI Contracts and Other Service Concession Arrangements	-	166,160	-	-	-	-	-	-	<b>166,160</b>
Off-SoFP PFI Residual Interests	-	-	-	-	-	-	-	-	-
Owned - Donated/Granted	-	4,960	-	3,040	5,252	-	689	103	<b>14,044</b>
<b>Total Net Book Value At 31 March 2023</b>	<b>7,634</b>	<b>179,343</b>	<b>119</b>	<b>48,938</b>	<b>13,413</b>	<b>-</b>	<b>11,326</b>	<b>5,570</b>	<b>266,343</b>

## 15.4 Property, Plant and Equipment Financing - 31 March 2022

	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
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>Total 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>



## 15.5 Property Plant And Equipment Assets Subject To An Operating Lease (Trust As A Lessor) - 31 March 2023

	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
Subject to an Operating Lease	-	-	-	-	-	-	-	-	-
Not Subject to an Operating Lease	7,634	179,343	119	48,938	13,413	-	11,326	5,570	266,343
<b>Total Net Book Value at 31 March 2023</b>	<b>7,634</b>	<b>179,343</b>	<b>119</b>	<b>48,938</b>	<b>13,413</b>	<b>-</b>	<b>11,326</b>	<b>5,570</b>	<b>266,343</b>

## 16. Donations of Property, Plant and Equipment

The Trust received charitable contributions of cash from the Alder Hey charity to purchase equipment, IT and buildings assets during the year. The total contribution was £3.253m, including £3m towards the new Catkin/Sunflower building, due to complete in Q1 of 2023/24.

## 17. Revaluations of Property, Plant and Equipment

All Land and Buildings assets were revalued as at 31st March 2023.

- The valuation was carried out by an independent valuer, Cushman & Wakefield.
- The basis for the valuation is 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.

## 18. Leases - Alder Hey Children's NHS Foundation Trust as a Lessee

This note details information about leases for which the Trust is a lessee.

The Trust is a lessee for several buildings and some cleaning and medical equipment. The leased buildings enable the Trust to provide services away from the main hospital site, as well as providing off-site working accommodation for staff.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.



## 18.

### 18.1 Right of Use Assets - 2022/23

	Property (Land and Buildings)	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Intangible Assets	Total	Of Which: Leased From DHSC Group Bodies
	£000	£000	£000	£000	£000	£000	£000	£000
IFRS 16 Implementation - Reclassification of Existing Finance Leased Assets From PPE or Intangible Assets	-	439	-	-	-	-	439	-
IFRS 16 Implementation - Adjustments For Existing Operating Leases / Subleases	5,247	9	-	-	-	-	5,256	2,863
Transfers by Absorption	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Remeasurements of the lease liability	-	-	-	-	-	-	-	-
Movements in provisions for restoration / removal costs	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reversals of Impairments	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Disposals/ De-recognition	-	-	-	-	-	-	-	-
<b>Valuation/Gross Cost at 31 March 2023</b>	<b>5,247</b>	<b>448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,695</b>	<b>2,863</b>
IFRS 16 Implementation - Reclassification of Existing Finance Leased Assets from PPE or Intangible Assets	-	266	-	-	-	-	266	-
IFRS 16 Implementation - Adjustments For Existing Subleases	-	-	-	-	-	-	-	-
Transfers by Absorption	-	-	-	-	-	-	-	-
Provided During the Year	593	92	-	-	-	-	685	286
Impairments	-	-	-	-	-	-	-	-
Reversals of Impairments	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Disposals/ Derecognition	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation at 31 March 2023</b>	<b>593</b>	<b>358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>951</b>	<b>286</b>
<b>Net Book Value At 31 March 2023</b>								
Net Book Value of Right of Use Assets Leased from Other NHS Providers								533
Net Book Value of Right of Use Assets Leased from Other DHSC Group Bodies								2,044

## 18.2 Revaluations of Right of Use Assets

See Note 1.15

## 18.3 Reconciliation of the Carrying Value of Lease Liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 30.1.

	2022/23 £000
<b>Carrying value at 31 March 2022</b>	<b>342</b>
IFRS 16 Implementation - Adjustments for Existing Operating Leases	5,256
Transfers by Absorption	-
Lease Additions	-
Lease Liability Remeasurements	-
Interest Charge Arising in Year	44
Early Terminations	-
Lease Payments (Cash Outflows)	(727)
Other Changes	-
<b>Carrying Value at 31 March 2023</b>	<b>4,915</b>

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 6.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Income generated from subleasing right of use assets in £0k and is included within revenue from operating leases in note 4.

	Total 31 March 2023 £000	Of Which Leased From DHSC Group Bodies: 31 March 2023 £000
<b>Undiscounted Future Lease Payments Payable in:</b>		
- Not Later Than One Year;	801	299
- Later Than One Year and Not Later Than Five Years;	2,120	1,195
- Later Than Five Years.	2,181	1,195
<b>Total Gross Future Lease Payments</b>	<b>5,102</b>	<b>2,689</b>
Finance Charges Allocated to Future Periods	(187)	(99)
<b>Net Lease Liabilities at 31 March 2023</b>	<b>4,915</b>	<b>2,590</b>
<b>Of Which:</b>		
- Current	761	277
- Non-Current	4,154	2,313

## 18.5 Maturity Analysis of Finance Lease Liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the Trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	31 March 2022 £000
<b>Undiscounted Future Lease Payments Payable in:</b>	
- Not Later Than One Year;	176
- Later Than One Year and Not Later Than Five Years;	178
- Later Than Five Years.	-
<b>Total Gross Future Lease Payments</b>	<b>354</b>
Finance Charges Allocated to Future Periods	(12)
<b>Net Lease Liabilities at 31 March 2022</b>	<b>696</b>
Of Which Payable:	
- Not Later Than One Year;	168
- Later Than One Year and Not Later Than Five Years;	174
- Later Than Five Years.	-
<b>Total of Future Minimum Sublease Payments to be Received at the Reporting Date</b>	<b>-</b>

## 18.6 Commitments in Respect of Operating Leases at 31 March 2022 (IAS 17 Basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the Trust previously determined to be operating leases under IAS 17.

	2021/22 £000		31 March 2022 £000
<b>Operating Lease Expense</b>	<b>566</b>	<b>Future Minimum Lease Payments Due:</b>	
Minimum Lease Payments	-	- Not Later Than One Year;	720
Contingent Rents	-	- Later Than One Year and Not Later Than Five Years;	2,830
Less Sublease Payments Received	<b>566</b>	- Later Than Five Years.	1,224
<b>Total</b>	<b>1,393</b>	<b>Total</b>	<b>4,774</b>
		Future Minimum Sublease Payments to be Received	-

## 18.7 Leases - Other Information

The Trust had some lease commitments for short term leases (less than 12 months) at the commencement of the year which have expired during the year. At the accounting date the Trust has no remaining commitments to short term leases.

## 18.8 Initial Application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 15.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

	1 April 2022 £000
<b>Operating lease commitments under IAS 17 at 31 March 2022</b>	<b>4,774</b>
Impact of Discounting at the Incremental Borrowing Rate	
<b>IAS 17 Operating Lease Commitment Discounted at incremental Borrowing Rate</b>	<b>4,597</b>
<b>Less:</b>	
Commitments for Short Term Leases	(9)
Commitments for Leases of Low Value Assets	-
Commitments for Leases that had not Commenced as at 31 March 2022	-
Irrecoverable VAT previously Included in IAS 17 Commitment	(179)
Services included in IAS 17 Commitment not Included in the IFRS 16 Liability	-
<b>Other Adjustments:</b>	
Differences in the Assessment of the Lease Term	1,309
Public Sector Leases Without Full Documentation Previously Excluded from Operating Lease Commitments	-
Variable Lease Payments Based on an Index or Rate	-
Rent Increases/(Decreases) Reflected in the Lease Liability, not Previously Reflected in the IAS 17 Commitment	(462)
Amounts Payable Under Residual Value Guarantees	-
Termination Penalties not Previously Included in Commitment	-
Finance Lease Liabilities Under IAS 17 as at 31 March 2022	342
Other Adjustments	-
<b>Total Lease Liabilities under IFRS 16 as at 1 April 2022</b>	<b>5,598</b>

## 19. Investments in Associates and Joint Ventures

	2022/23 £000	2021/22 £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>	-	-

## 20. Other Investments/Financial Assets (Non-Current)

	2022/23 £000	2021/22 £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>	-	-

### 20.1 Other Investments/Financial Assets (Current)

	31 March 2023 £000	31 March 2022 £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>	-	-

## 21. 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%
Acorn Partners Ltd	27.50%
Asthma Buddy Ltd	30.10%
Doctors Hours Ltd	30.10%
Bloom Revalidation Ltd	30.10%
Digital Audiology Technologies Ltd	30.10%
Blood Sense Ltd	30.00%

## 22. Inventories

	31 March 2023 £000	31 March 2022 £000
Drugs	1,739	1,515
Work in Progress	-	-
Consumables	2,648	2,175
Energy	62	62
Other	-	-
<b>Total Inventories</b>	<b>4,449</b>	<b>3,752</b>
<b>Of Which:</b>		
Held at Fair Value Less Costs to Sell	-	-

Inventories recognised in expenses for the year were £47,494k (2021/22: £48,007k). Write-down of inventories recognised as expenses for the year were £0k (2021/22: £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 2022/23 the Trust received £375k of items purchased by DHSC (2021/22: £439k).

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

## 23. Receivables

### 23.1 Receivables

	31 March 2023	31 March 2022
	£000	£000
<b>Current</b>		
Contract Receivables	21,512	18,079
Contract Assets	-	-
Capital Receivables	-	-
Allowance for Impaired Contract Receivables/Assets	(1,423)	(1,014)
Allowance for Other Impaired Receivables	(730)	(620)
Deposits and Advances	-	-
Prepayments (Non-PFI)	5,484	4,071
PFI Prepayments - Capital Contributions	-	-
PFI Lifecycle Prepayments	-	-
Interest Receivable	-	-
Finance Lease Receivables	-	-
Operating Lease Receivables	-	-
PDC Dividend Receivable	-	1,264
VAT Receivable	2,737	963
Corporation and Other Taxes Receivable	-	-
Other Receivables	513	481
<b>Total Current Receivables</b>	<b>28,093</b>	<b>23,224</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
PFI Prepayments - Capital Contributions	-	-
PFI Lifecycle Prepayments	-	-
Interest Receivable	-	-
Finance Lease Receivables	-	-
Operating Lease Receivables	-	-
VAT Receivable	-	-
Corporation and Other Taxes Receivable	-	-
Other Receivables	388	359
<b>Total Non-Current Receivables</b>	<b>388</b>	<b>1,381</b>
<b>Of Which Receivables from NHS and DHSC Group Bodies:</b>		
Current	13,994	13,459
Non-Current	388	359

The majority of trade is with Intergrated Care Systems 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.



## 23.2 Allowances for Credit Losses

	2021/22		2021/22	
	Contract Receivables and Contract Assets	All Other Receivables	Contract Receivables and Contract Assets	All Other Receivables
	£000	£000	£000	£000
<b>Allowances as at 1 April - Brought Forward</b>	<b>1,014</b>	<b>620</b>	<b>975</b>	<b>602</b>
Prior Period Adjustments			-	-
<b>Allowances as at 1 April - Restated</b>	<b>1,014</b>	<b>620</b>	<b>975</b>	<b>602</b>
Transfers by Absorption	-	-	-	-
New Allowances Arising	513	298	784	204
Changes in Existing Allowances	-	-	-	-
Reversals of Allowances	(97)	(159)	(709)	(183)
Utilisation of Allowances (Write Offs)	(7)	(29)	(36)	(3)
Changes Arising Following Modification of Contractual Cash Flows	-	-	-	-
Foreign Exchange and Other Changes	-	-	-	-
<b>Allowances as at 31 March 2022</b>	<b>1,423</b>	<b>730</b>	<b>1,014</b>	<b>620</b>

## 23.3 Exposure to Credit Risk

The Trust's Financial risk management is set out in Note 40.1

## 24. Finance Leases (Alder Hey Children's NHS Foundation Trust as a Lessor)

This note discloses future lease payments receivable from lease arrangements classified as finance leases where the Alder Hey Children's NHS Foundation Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

### 24.1 Reconciliation of the Carrying Value of Finance Lease Receivables (Net Investment in the Lease)

	2022/23 £000
<b>Finance lease receivables at 31 March 2022</b>	-
IFRS 16 Implementation - Adjustments for Existing Subleases	-
Transfers by Absorption	-
Additions	-
Interest Arising (Unwinding of Discount)	-
Remeasurements of Lease Receivables	-
Lease Receipts (Cash Payments Received)	-
Derecognition Due to Early Termination	-
<b>Finance Lease Receivables at 31 March 2023</b>	-

## 24.2 Finance Lease Receivables Maturity Analysis as at 31 March 2023

	Total 31 March 2023 £000	Of Which Leased to DHSC Group Bodies: 31 March 2023 £000
<b>Undiscounted Future Lease Receipts Receivable in:</b>	-	-
- Not Later than One Year;	-	-
- Later than One Year and Not Later than Two Years;	-	-
- Later than Two Years and not Later than Three Years;	-	-
- Later than Three Years and not Later than Four Years;	-	-
- Later than Four Years and not Later than Five Years;	-	-
- Later than Five Years.	-	-
<b>Total Future Finance Lease Payments to be Received</b>	-	-
Estimated Value of Unguaranteed Residual Interest	-	-
Unearned Interest Income	-	-
Allowance for Uncollectable Lease Payments	-	-
<b>Net Investment in Lease (Net Lease Receivable)</b>	-	-
Of Which those Receivable:		
Leased to Other NHS Providers	-	-
Leased to Other DHSC Group Bodies	-	-

## 24.3 Finance Lease Receivables as at 31 March 2022 (IAS 17 Basis)

	31 March 2022 £000
<b>Undiscounted Future Lease Receipts Receivable in:</b>	-
- Not Later than One Year;	-
- Later than One Year and not Later than Five Years;	-
- Later than Five Years.	-
<b>Total Future Finance Lease Payments to be Received</b>	-
Unearned Interest Income	-
Allowance for Uncollectable Lease Payments	-
<b>Net Investment in Lease (Net Lease Receivable)</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	-

## 24.4 Assets Derecognised Under Finance Leases with other DHSC Group Bodies

The Trust has nothing to disclose in this area.

## 25. Other Assets

	31 March 2023 £000	31 March 2022 £000
<b>Current</b>		
Other Assets	-	-
<b>Total Other Current Assets</b>	-	-
<b>Non-Current</b>		
Net Defined Benefit Pension Scheme Asset	-	-
Other Assets	-	-
<b>Total Other Non-Current Assets</b>	-	-

### 26.1 Non-Current Assets Held for Sale and Assets in Disposal Groups

	2022/23 £000	2021/22 £000
<b>NBV of Non-Current Assets for Sale and Assets In Disposal Groups at 1 April</b>	-	-
Prior Period Adjustment		
<b>NBV of Non-Current Assets For Sale And Assets In Disposal Groups at 1 April - Restated</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>	-	-

### 26.2 Liabilities in Disposal Groups

	31 March 2023 £000	31 March 2022 £000
<b>Categorised as:</b>	-	-
Provisions	-	-
Trade and Other Payables	-	-
Other	-	-
<b>Total</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.

	2022/23 £000	2021/22 £000
<b>At 1 April</b>	<b>91,463</b>	<b>92,708</b>
Prior Period Adjustments		-
<b>At 1 April (Restated)</b>	<b>91,463</b>	<b>92,708</b>
Transfers By Absorption	-	-
Net Change In Year	(7,985)	(1,245)
<b>At 31 March</b>	<b>83,478</b>	<b>91,463</b>
<b>Broken Down Into:</b>		
Cash at Commercial Banks and in Hand	1,034	503
Cash with the Government Banking Service	72,444	90,960
Deposits with the National Loan Fund	10,000	-
Other Current Investments	-	-
<b>Total Cash and Cash Equivalents as in SoFP</b>	<b>83,478</b>	<b>91,463</b>
Bank Overdrafts (GBS and Commercial Banks)	-	-
Drawdown in Committed Facility	-	-
<b>Total Cash and Cash Equivalents as in SoCF</b>	<b>83,478</b>	<b>91,463</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 2023 £000	31 March 2022 £000
Bank Balances	-	-
Monies on Deposit	-	-
<b>Total Third Party Assets</b>	<b>-</b>	<b>-</b>



	31 March 2023 £000	31 March 2022 £000
<b>Current</b>		
Trade Payables	8,818	9,823
Capital Payables	12,852	17,888
Accruals	25,746	37,140
Receipts in Advance and Payments on Account	-	-
PFI Lifecycle Replacement Received in Advance	-	-
Social Security Costs	-	-
VAT Payables	-	-
Other Taxes Payable	4,415	4,619
PDC Dividend Payable	1,218	-
Pension Contributions Payable	2,819	2,689
Other Payables	14,444	4,689
<b>Total Current Trade and Other Payables</b>	<b>70,312</b>	<b>76,848</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	3,359	5,344
Non-Current	-	-

## 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 2023 £000	31 March 2023 Number	31 March 2022 £000	31 March 2022 Number
- To buy out the liability for early retirements over 5 years	-	-	-	-
- Number of cases involved	-	-	-	-

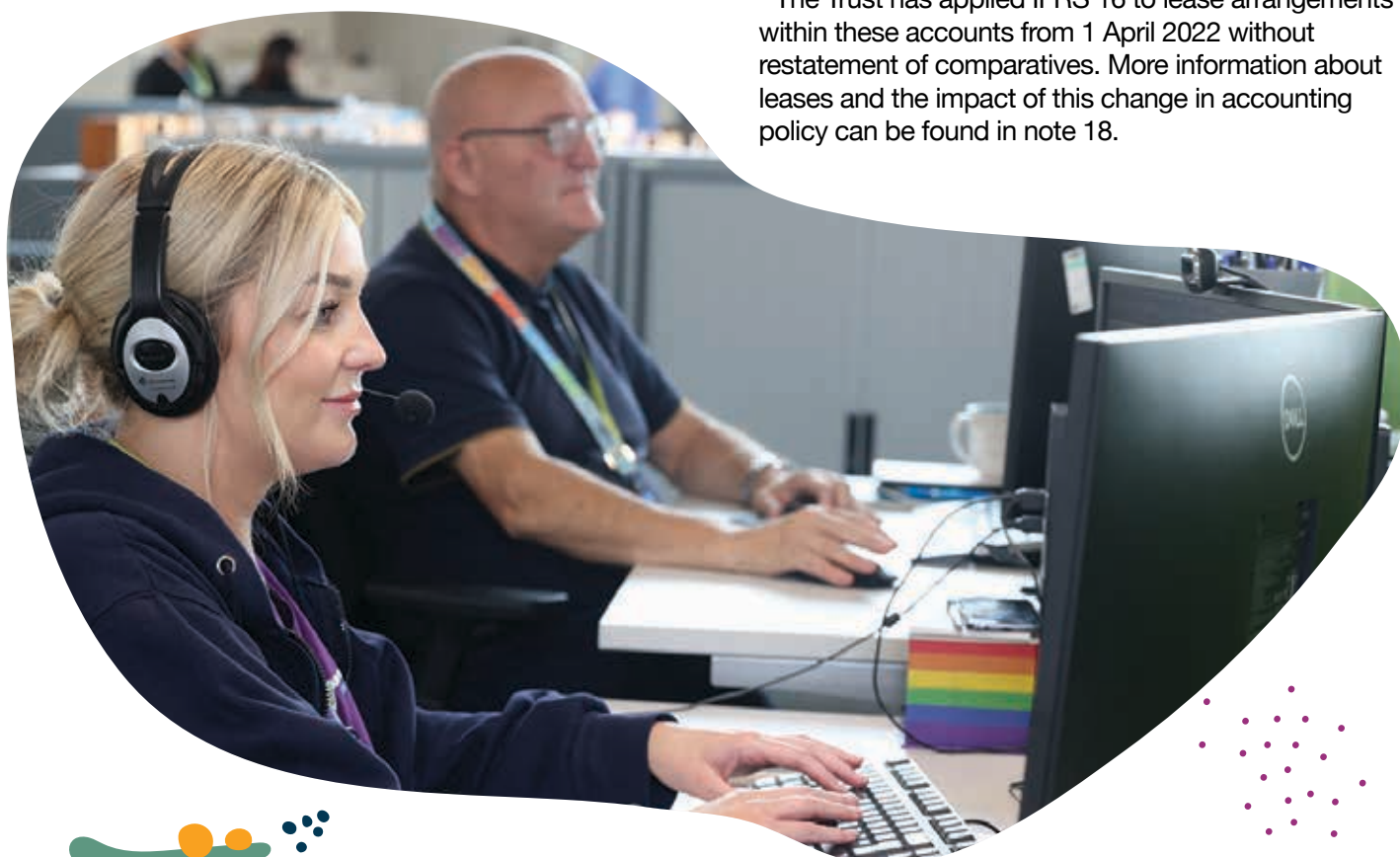
## 29. Other Liabilities

	31 March 2023 £000	31 March 2022 £000
<b>Current</b>		
Deferred Income: Contract Liabilities	4,005	3,195
Deferred Grants	-	-
Deferred PFI Credits / Income	137	137
Other Deferred Income	-	-
<b>Total Other Current Liabilities</b>	<b>4,142</b>	<b>3,332</b>
<b>Non-Current</b>		
Deferred Income: Contract Liabilities	120	200
Deferred Grants	-	-
Deferred PFI Credits / Income	2,947	3,084
Other Deferred Income	-	-
Net Pension Scheme Liability	-	-
<b>Total Other Non-Current Liabilities</b>	<b>3,067</b>	<b>3,284</b>

## 30.1 Borrowings

	31 March 2023 £000	31 March 2022 £000
<b>Current</b>		
Bank Overdrafts	-	-
Drawdown in Committed Facility	-	-
Loans from DHSC	2,806	2,815
Other Loans	-	-
Lease Liabilities*	761	168
Obligations under PFI, LIFT or Other Service Concession Contracts	2,465	2,429
<b>Total Current Borrowings</b>	<b>6,032</b>	<b>5,412</b>
<b>Non-Current</b>		
Loans from DHSC	35,807	38,565
Other Loans	-	-
Lease Liabilities*	4,154	174
Obligations under PFI, LIFT or Other Service Concession Contracts	92,956	95,420
<b>Total Non-Current Borrowings</b>	<b>132,917</b>	<b>134,159</b>

\* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 18.



## 30.2 Reconciliation of Liabilities Arising from Financing Activities - 2022/23

	Loans from DHSC £000	Other Loans £000	Finance Leases £000	PFI and LIFT Schemes £000	Total £000
<b>Carrying Value at 1 April 2022</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)	-	(683)	(2,429)	<b>(5,871)</b>
Financing Cash Flows - Payments of Interest	(923)	-	(44)	(7,258)	<b>(8,225)</b>
<b>Non-Cash Movements:</b>					
Application of Effective Interest Rate	-	-	5,256	-	<b>5,256</b>
Application of Effective Interest Rate	915	-	44	7,259	<b>8,218</b>
<b>Carrying Value at 31 March 2023</b>	<b>38,613</b>	<b>-</b>	<b>4,915</b>	<b>95,421</b>	<b>138,949</b>

## Note 30.3 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>
Prior Period Adjustment	-	-	-	-	-
<b>Carrying Value at 1 April 2020 - Restated</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>

## 31. Other Financial Liabilities

	31 March 2023 £000	31 March 2022 £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>

## 32.1 Provisions for Liabilities and Charges Analysis

	Pensions - Early Departure Costs	Pensions: Injury Benefits	Legal Claims	Re- structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2022</b>	<b>188</b>	<b>427</b>	<b>274</b>	-	-	-	<b>12,641</b>	<b>13,530</b>
IFRS 16 Implementation - Adjustments for Onerous Lease Provisions	-	-	-	-	-	-	-	-
Transfers by Absorption	-	-	-	-	-	-	-	-
Change in the Discount Rate	(8)	(54)	-	-	-	-	(341)	(403)
Arising During the Year	25	11	86	-	-	-	5,629	5,751
Utilised During the Year	(53)	(51)	(107)	-	-	-	(4,346)	(4,557)
Reclassified to Liabilities Held in Disposal Groups	-	-	-	-	-	-	-	-
Reversed Unused	-	-	(1)	-	-	-	(906)	(907)
Unwinding of Discount	3	6	-	-	-	-	8	17
<b>At 31 March 2023</b>	<b>155</b>	<b>339</b>	<b>252</b>	-	-	-	<b>12,685</b>	<b>13,431</b>
<b>Expected Timing of Cash Flows:</b>								
- Not Later Than One Year;	53	51	-	-	-	-	11,045	11,149
- Later Than One Year and Not Later Than Five Years;	93	159	-	-	-	-	-	252
- Later Than Five Years.	9	129	252	-	-	-	1,640	2,030
<b>Total</b>	<b>155</b>	<b>339</b>	<b>252</b>	-	-	-	<b>12,685</b>	<b>13,431</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 Trusts legal obligation towards the re-instatement of Springfield Park as part of the land agreement.



## 32.2 Clinical Negligence Liabilities

At 31 March 2023, £178,178k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Alder Hey Children's NHS Foundation Trust (31 March 2022: £273,134k).

## 33. Contingent Assets and Liabilities

	31 March 2023	31 March 2022
	£000	£000
<b>Value of contingent liabilities</b>		
NHS Resolution Legal Claims	-	-
Employment Tribunal and Other Employee Related Litigation	-	-
Redundancy	-	-
Other	-	1,000
<b>Gross Value of Contingent Liabilities</b>	<b>-</b>	<b>1,000</b>
Amounts Recoverable Against Liabilities	-	-
<b>Net Value of Contingent Liabilities</b>	<b>-</b>	<b>1,000</b>
<b>Net Value of Contingent Assets</b>	<b>-</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 debtor is no longer outstanding.

## 34. Contractual Capital Commitments

	31 March 2023 £000	31 March 2022 £000
Property, Plant and Equipment	486	191
Intangible Assets	-	45
<b>Total</b>	<b>486</b>	<b>236</b>

## 35. 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 2023 £000	31 March 2022 £000
Not Later Than One Year;	-	-
After One Year and Not Later Than Five Years;	-	-
Paid Thereafter	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 36. Defined Benefit Pension Schemes

The Trust has no disclosures for defined benefit schemes.



## 36.1 Changes in the Defined Benefit Obligation and Fair Value of Plan Assets During the Year

	2022/23	2021/22
	£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>	-	-

## 36.2 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 2023 £000	31 March 2022 £000
Present Value of the Defined Benefit Obligation	-	-
Plan Assets at Fair Value	-	-
<b>Net Defined Benefit (Obligation)/Asset Recognised in the SoFP</b>	-	-
Fair Value of any Reimbursement Right	-	-
<b>Net (Liability)/Asset After the Impact of Reimbursement Rights</b>	-	-

## 36.3 Amounts Recognised in the SoCI

	2022/23 £000	2021/22 £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>	-	-

## 37. On-SoFP PFI, LIFT or Other Service Concession Arrangements

The PFI scheme relates to the main hospital building on East Prescot 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.



### 37.1 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 2023 £000	31 March 2022 £000
<b>Gross PFI, LIFT or Other Service Concession Liabilities</b>	<b>231,667</b>	<b>242,278</b>
<b>Of Which Liabilities are Due</b>		
- Not Later Than One Year	10,512	10,612
- Later Than One Year and Not Later Than Five Years	41,091	41,709
- Later Than Five Years	180,064	189,957
Finance Charges Allocated to Future Periods	(136,246)	(144,429)
<b>Net PFI, LIFT or Other Service Concession Arrangement Obligation</b>	<b>95,421</b>	<b>97,849</b>
- Not Later Than One Year	2,465	2,429
- Later Than One Year and Not Later Than Five Years	10,425	10,340
- Later Than Five Years	82,531	85,080

### 37.2 Total on-SoFP PFI, LIFT and Other Service Concession Arrangement Commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2023 £000	31 March 2022 £000
<b>Total Future Payments Committed in Respect of the PFI, LIFT or Other Service Concession Arrangements</b>	<b>397,675</b>	<b>412,550</b>
<b>Of Which Payments are Due:</b>		
- Not Later Than One Year	15,087	14,875
- Later Than One Year and Not Later Than Five Years	62,449	61,587
- Later Than Five Years	320,139	336,088

### 37.3 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	2021/22 £000
<b>Unitary Payment Payable to Service Concession Operator</b>	<b>15,524</b>	<b>14,756</b>
<b>Consisting of:</b>		
- Interest Charge	7,259	7,440
- Repayment of Balance Sheet Obligation	2,429	2,440
- Service Element and Other Charges to Operating Expenditure	4,020	3,368
- Capital Lifecycle Maintenance	-	-
- Revenue Lifecycle Maintenance	892	625
- Contingent Rent	924	883
- 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>15,524</b>	<b>14,756</b>

## 38. 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 2023 £000	31 March 2022 £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>	-	-

## 39. Financial Instruments

### 39.1 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 Intergrated Care Boards (ICB's) and the way those ICBs 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 ICBs. The Trust receives regular monthly payments from ICBs 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.



## 39.2 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 2023</b>				
Trade and Other Receivables Excluding Non Financial Assets	19,872	-	-	<b>19,872</b>
Other Investments/Financial Assets	-	-	-	-
Cash and Cash Equivalents	83,478	-	-	<b>83,478</b>
<b>Total at 31 March 2023</b>	<b>103,350</b>	-	-	<b>103,350</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 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>

## 39.3 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 2023</b>			
Loans from the Department of Health and Social Care	38,613	-	<b>38,613</b>
Obligations Under Leases	4,915	-	<b>4,915</b>
Obligations Under PFI, LIFT and Other Service Concession Contracts	95,421	-	<b>95,421</b>
Other Borrowings	-	-	-
Trade and Other Payables Excluding Non Financial Liabilities	65,882	-	<b>65,882</b>
Other Financial Liabilities	-	-	-
Provisions Under Contract	-	-	-
<b>Total at 31 March 2023</b>	<b>204,831</b>	-	<b>204,831</b>

### 39.3 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 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>

### 39.4 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 2023 £000	31 March 2022 £000
In One Year or Less	80,806	86,687
In More Than Two Year But Not More Than Five Years	55,919	55,286
In More Than Five Years	211,605	222,237
<b>Total</b>	<b>348,330</b>	<b>364,210</b>

### 39.5 Fair Values of Financial Assets and Liabilities

It is considered that the book value (carrying value) is a reasonable approximation of fair value.



## 40. Losses and Special Payments

	2022/23		2021/22	
	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	23	29	5	3
Fruitless Payments and Constructive Losses	-	-	-	-
Bad Debts and Claims Abandoned	21	7	12	36
Stores Losses and Damage to Property	-	-	-	-
<b>Total Losses</b>	<b>44</b>	<b>36</b>	<b>17</b>	<b>39</b>
<b>Special Payments</b>				
Compensation Under Court Order or Legally Binding Arbitration Award	-	-	-	-
Extra-Contractual Payments	-	-	-	-
Ex-Gratia Payments	18	484	31	636
Special Severance Payments	-	-	-	-
Extra-Statutory and Extra-Regulatory Payments	-	-	-	-
<b>Total Special Payments</b>	<b>18</b>	<b>484</b>	<b>31</b>	<b>636</b>
<b>Total Losses and Special Payments</b>	<b>62</b>	<b>520</b>	<b>48</b>	<b>675</b>
Compensation Payments Received		-		-

## 41. Gifts

	2022/23		2021/22	
	Total Number of Cases	Total Value of Cases	Total Number of Cases	Total Value of Cases
	Number	£000	Number	£000
Gifts Made	-	-	-	-

## 42. 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 the parent department. 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 Sheshire and Merseyside Intergrated Care System (formerly disclosed as 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 £32,250 (2021/22: £260,000).

Expenditure with The Reader Organisation was £9,022.

Transactions with related parties are on an arm's length basis.



## Alice's Story

When she was 10, Alice was diagnosed with Scoliosis, a condition where the spine twists and curves to the side. Mum Gemma discovered a large lump on her right shoulder while brushing her hair one morning.

As Alice's spine curvature was over 50 degrees, she needed to undergo surgery at Alder Hey to correct it.



Dad David said:

“

Following a whopping seven hour surgery, Alice underwent a final x-ray that revealed her spine reconstruction was successful and she had even grown three and a half inches! She also had her amazing smile back after having low confidence during her treatment. We were so pleased with how well she recovered after her surgery. Within weeks she managed to walk up Snowdon!

”

# 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 2023 which comprise the Trust's Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers' Equity, Statement of Cash Flows, and the related notes 1 to 42, 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 2022/23 HM Treasury's Financial Reporting Manual (the 2022/23 FReM) as contained in the Department of Health and Social Care Group Accounting Manual 2022 to 2023 and the Accounts Direction issued by NHS England with the approval of the Secretary of State as relevant to the National Health Service in England.

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 2023 and of the Foundation Trust's 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 2022 to 2023; and
- Have been properly prepared in accordance with the National Health Service Act 2006.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 to 30 September 2024.

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:

- Other information published together with the audited financial statements is consistent with the financial statements; and
- The parts of the Remuneration Report and Staff Report identified as subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2022/23.

## 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 2022/23 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 as the Accounting Officer of Alder Hey Children's NHS Foundation Trust set out on page 114 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 of the Foundation Trust, or have no realistic alternative but to do so.

As explained in the Governance Statement, 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 and expenditure), 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 and expenditure, we reviewed the Foundation Trust's manual year end income and expenditure accruals and payments made and received after the financial year end, challenging assumptions and corroborating the income to appropriate evidence.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Trust's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- To address the presumed 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.

## 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 January 2023, 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 2023.

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.

## 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 2023. 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 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.

## 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**

For and on behalf of Ernst & Young LLP  
Manchester, 29th June 2023

## Certificate

In our report dated 29 June 2023, we explained that we could not formally conclude the audit on that date until we had issued our Auditor's Annual Report for the year ended 31 March 2023. 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 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**

For and on behalf of Ernst & Young LLP  
Manchester, 29th August 2023



## Ugne's Story

Nine year old Ugne recently had eye surgery for a condition known as intermittent exotropia. Children with this condition can have eyes that occasionally appear to turn outwards or "drift", usually when they are tired or distracted. Ugne's control of her squint continued to deteriorate over time so surgery was needed.

Ugne's mum Kristina said

“

Alder Hey's Theatre Team worked really hard to make sure Ugne's surgery was as pain and nausea free as possible, allowing her to recover and return home soon after her procedure. Although she was a bit nervous during her operation, she was really brave. Her eye healed nicely over six weeks and she's now really happy with her new eyes!

”



# ALDER HEY



44 clinical specialities

One of Europe's biggest & busiest children's hospitals

Has delivered 17 global first in-child studies



Cares for over 330,000 children, young people & their families



Providing innovative high quality care for 100 years



Alder Hey Children's  
NHS Foundation Trust

If you would like any more information about any of the details in this Report, please contact:



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