Meeting of the Council of Governors

Wednesday 20 July 2016 at 1730

Lecture Theatre, Blair Bell Education Centre, Liverpool Women's Hospital,

Crown Street, Liverpool L8 7SS

Refreshments will be available in the Atrium, Blair Bell Education Centre at 1700.

Item no.	Title of item	Objectives/desired outcome	Process	Item presenter	Time allocated to item	CQC Fundamental Standard	Board Assurance Framework Risk
2016/56	Apologies for absence	Receive apologies	Verbal	Chair	1730 (5 mins)		
2016/57	Meeting guidance notes	Receive and note	Written guidance	Chair			
2016/58	Declarations of interest – *do Governors have any interests to declare?*	Identify and avoid conflicts of interest	Verbal	Chair			
2016/59	Minutes of the previous meeting held 16 April 2015	Confirm as an accurate record the minutes of the previous meeting	Written minutes	Chair			
2016/60	Matters arising and action log	Provide an update in respect of any matters arising	Verbal	Chair			

2016/61	Chair's announcements	Report recent and announce items of significance not elsewhere on the agenda	Verbal	Chair	1735 (10mins)		
MATTERS FOR RECEIPT / APPROVAL							
2016/62	Annual report and accounts, including quality report, for 2015/16	Receive the annual report and accounts and ISA 260 report from the External Auditors	Written Report	Chair, Chief Executive and External Auditors	1745 (15mins)		
2016/63	Minutes of the Patient Experience and Membership Engagement Committee held 21 June 2016 Patient experience – *Explore with the Council of Governors how the Trust learns about and improves the experiences of its patients?*	Receive and review the minutes	Written minutes Discussion	Committee Chair Director of Nursing and Midwifery/	1800 (5mins) 1805 (20mins)		
2016/64	National Gynaecology Services Inpatient survey – *what are the Trust's results from the latest national patient survey?*	Receive and discuss	Written report	Director of Nursing & Midwifery and Head of Patient Experience	1825 (15mins)	Person centred care	
2016/65	Governor elections 2016 – what seats will be included in the upcoming elections and what is the election timetable?	Receive and note	Written report	Chair	1840 (5mins)		
ITEMS FOR INFORMATION AND DISCUSSION							

2016/66	Board Assurance Committee updates – *what has been the recent work of the Board's committees* • *Putting People First Committee & Charitable Funds* • *Finance Performance and Business Development Committee* • *Governance and Clinical Assurance Committee* *(included in these papers are the Board SEE report, Performance Report and Financial Report)*	Receive and discuss	Written report/Discussion on key matters	Chairs of Board Committees	1845 (15mins)	Good governance Complaints Safety	1D, 3A
2016/67	Have the Governors any comments that can be provided as part of the trust's response to the NHS Improvement new 'single oversight framework' for consultation	To receive Council input on the questions posed in the consultation	Discussion	Chair	1900 (15mins)	Person centred care	
2016/68	Review of risk impacts of items discussed – *have any new risks been identified during the course of the meeting?*	Identify any new risk impacts	Verbal	Chair			
2016/69	Any other business – *is there any other business that needs to be considered today?*	Consider any urgent items of other business	Verbal or written	Chair			

2016/70	Review of meeting – *did the meeting achieve its objectives; what went well and what could have gone better?*	Review the effectiveness of the meeting (achievement of objectives/desired outcomes and management of time)	Verbal	Chair / all			
2016/71	Date, time and place of next meeting: *Wednesday 19 October 2016 at 1730 in the Lecture Theatre, Blair Bell Education Centre, Liverpool Women's Hospital*	Confirm arrangements for next meeting	Verbal	Chair	1915 Meeting in Public ends		

Resolution to exclude the press and public on the grounds that the remaining business is commercial in confidence.

Meeting attendees' guidance for Governors, May 2012

Under the direction and guidance of the Chair, all members are responsible for ensuring that the meeting achieves its duties and runs effectively and smoothly.

Before the meeting

- Prepare for the meeting in good time by reviewing all reports (the amount of time allocated for each agenda item can be used to guide your preparation)
- Submit any reports scheduled for consideration at least 10 days before the meeting to the meeting administrator (using the standard report template)
- Ensure your apologies are sent if you are unable to attend
- Notify the Chair in advance of the meeting if you wish to raise a matter of any other business

At the meeting

- Arrive in good time, including to to set up your laptop/tablet if you are using them in place of paper
- Switch off mobile phone/blackberry
- Focus on the meeting at hand and not the next activity
- Actively and constructively participate in the discussions
- Think about what you want to say before you speak; explain your ideas clearly and concisely and summarise if necessary
- Make sure your contributions are relevant and help move the meeting forward
- Respect the contributions of other members of the group and do not speak across others
- Ensure you understand the decisions, actions, ideas and issues agreed and to whom responsibility for them is allocated
- Do not use the meeting to highlight issues that are not on the agenda
- Re-group promptly after any breaks
- Take account of the Chair's health, safety and fire announcements (fire exits, fire alarm testing, etc)

Attendance

- Governors are expected to attend all meetings of the Council of Governors and may cease to hold office as a governor if they fail to attend three consecutive meetings (Trust Constitution, paragraph 12.19)

After the meeting

- Follow up on actions
- Inform colleagues appropriately of the issues discussed

Standards

- All documentation will be prepared using the standard Trust templates. A named person will oversee the administrative arrangements for each meeting
- Agenda and reports will be issued 7 days before the meeting
- An action schedule will be prepared and circulated after the meeting
- The minutes will be available at the next meeting

Also under the guidance of the Chair, members are also responsible for the committee/ subcommittee's compliance with relevant legislation and Trust policies, up-to-date versions of which are available on the Trust's website or via the Head of Governance or Trust Secretary.

2016/59

Council of Governors
Minutes of a Public meeting held on Wednesday 20th April 2016
at 17:30 pm in the Blair Bell, Lecture Theatre

PRESENT:

Mr Robert Clarke (chair)	Chair
Mrs Sarah Carroll	Public Governor (Central Liverpool)
Mrs Sheila Gwynn-Adams	Public Governor (South Liverpool)
Ms Carole McBride	Public Governor (Sefton)
Mrs Mary McDonald	Appointed Governor (Community/voluntary/orgs)
Mr Adrian O'Hara	Public Governor (North Liverpool)
Ms Sharon Owens	Staff Governor (Nurses)
Mr Adel Soltan	Staff Governor (Doctors)
Mrs Gillian Walker	Staff Governor (Midwives)
Ms Helen White	Public Governor (rest of England & Wales)
Mrs Cheryl Barber	Public Governor (Knowsley)
Mrs Sheila Phillips	Public Governor (Knowsley)
Cllr Helen Casstles	Appointed Governor (Liverpool City Council)
Reverend Cynthia Dowdle	Appointed Governor (Community/voluntary groups)
Councillor Nina Killen	Appointed Governor (Sefton Borough Council)
Professor Anne Scott	Liverpool John Moore's University

IN ATTENDANCE:

Mr Colin Reid	Trust Secretary
Mrs Elaine Carden	Assistant to the Trust Secretary (minutes)
Mrs Dianne Brown	Director of Nursing and Midwifery
Mrs Vanessa Harris	Director of Finance
Mr Tony Okotie	Non-Executive Director
Mrs Kathryn Thomson	Chief Executive
Mr Andrew Loughney	Medical Director
Mrs Michelle Turner	Director of Human Resources & Marketing
Mr Jeff Johnston	Associate Director of Operations
Mr Ian Haythornthwaite	Non-Executive Director
Dr Joanne Topping	Outgoing Interim Medical Director

030 Apologies

Ms Pat Speed	Public Governor (Sefton)
Mr Sadd Al-Shukri	Public Governor (Central Liverpool)
Mrs Gail Mannion	Staff Governor (Scientists, AHPs & Technicians)
Mrs Liz Williams	Public Governor (North Liverpool)
Mr Geoffrey Tattersall	Public Governor (rest of England & Wales)
Dr Ana Alfirevic	Appointed Governor (University of Liverpool)
Ms Terri Ann Green	Public Governor (Central Liverpool)

031 Meeting guidance notes

Meeting guidance notes were noted

032 Declarations of Interest

No declarations were declared.

033 Minutes of the previous meeting held on 27th January 2016 and Matters Arising

The above minutes were agreed as a true and accurate record.

034 Matters arising and Action log

The Council went through the action log from the previous meeting noting all actions were completed or in progress.

035 Chair's Announcements

The Chair made the following announcements:

a) The Chair introduced himself to the Council and formal introductions of Council members were acknowledged.

b) The Chair welcomed Andrew Loughney who had been appointed to the post of Medical Director. Chair thanked Dr Joanne Topping for all her support as the Interim Medical Director which she held from February 2015

c) The Chair announced change of appointed Governor – Knowsley Metropolitan Borough Council have appointed Councillor Kay Moorhead in the place of Councillor Del Arnall. The appointment effective from 1st April 2016.

d) The Chair announced that a Clinical Non-Executive Director had not yet been appointed. The Nominations committee had met on the 19th April 2016 and had shortlisted 4 candidates who would be interviewed on the 11th May. An Extraordinary meeting of Council of Governor's will be called to ratify the position.

036 Appointment of Non-Executive Director

The Chair explained that the extraordinary meeting of the Council of Governor's that had been called on the 22nd March 2016 to approve the appointments of the Non-Executive Directors had not met quorum requirements. It was agreed that the recommendation would be taken to a full meeting of the Council for approval to appoint the Non-Executive Directors. The Chair advised on the appointment process and recommended that the Council of Governors approve the recommendations of the Governor Nominations Committee that Phil Huggon, David Astley, Ian Knight and Jo Moore are appointed to the posts of Non-Executive Directors of the Trust for an initial period of three years from 4 April 2016, subject to the necessary pre-employment checks.

Resolved:

The Council unanimously approved appointment of Phil Huggon, David Astley, Ian Knight and Jo Moore to the posts of Non-Executive Directors of the Trust for an initial period of three years from 4 April 2016, subject to the necessary pre-employment checks.

037 Selection of Quality indicators for Quality Report and examination by the external auditors Chair

The Chair explained that an Extraordinary meeting of the Council of Governor's had been called on 22nd March 2016 to select the External Quality indicator. The Governor's present at the meeting approved by unanimous decision, the selection of the quality indicator for external audit. Following selection, the indicator was presented to the full Council of Governors meeting for ratification.

Resolved:

The Council of Governor's approved the recommendation of the Governor Sub-Group that the quality indicator selected for external audit was "To ensure that all medication incidents rated at 10 or above are subject to a Root Cause Analysis".

038 **Chairs update report from the Membership strategy Committee meeting held on 12th April 2016 and the minutes of the 9th February 2016 meeting**

The Committee received an update from Sheila Phillips, Chair of the Committee on the work of the Membership Strategy Committee. Ms Phillips explained that over the past few months the Membership Strategy Committee has discussed how to try and reform and recognise the committee, and also to reflect the dynamic changing internal and external environment. Traditionally the committee's role was to provide links to the Trust's membership and to the wider community. The committee felt that there were many areas where it could add additional value to the work of the Council which would include expanding its horizons to reviewing 'Patient Experience'. The committee believed that there needed to be effective communication between governors and the Experience Senate, in order to gain assurance on patient experience issues which would enable governors to fulfil their role.

Ms Phillips advised that In light of the work undertaken by the committee, it was proposed to rename the committee to the '*Patient Experience and Membership Engagement Committee'* and that the terms of reference of the committee be amended to reflect its expanded activity.

Ms Phillips reminded the Council that it was important that all governors are involved not only in engagement activities which was the committees original purpose, but also to understand and get assurance that patients were receiving the best possible experience whilst at the Trust. The Committee had therefore agreed to open the attendance at the Committee to all Governors to attend although recognised the need for a cohort of Governor members was required. The Council was informed of the bimonthly dates of the Patient Experience and Membership Engagement Committee meetings, the first such meeting taking place on Tuesday 7th June 2016 [moved to 21 June 2016], and taking place at 5.30pm:

Resolved:

1. The Council approved the Committee's additional activity and approved its terms of reference and change of name.
2. The Governors to inform Ms Phillips, if they would like to be part of the cohort of members of the Committee and the Trust Secretary agreed to send out a reminder to the Council.

039 **Francis Report update against actions**

The Director of Nursing and Midwifery updated the Council on the Trust response to the Francis Recommendations. She reported that the Trust had received assurance from Executive Leads that it was compliant with 94% of the applicable recommendations and that progress was being made against the remaining four recommendations with completion dates identified. The Director of Nursing and Midwifery explained that Internal Audit had provided the Trust with the initial assurance on delivery of the recommendations and further explained that a number of deep dive's had been commissioned by Clinical Governance Committee.

The Director of Nursing and Midwifery reported that the Board of Directors had received the same report at its meeting in March 2016, the findings having been reviewed and challenged at Governance and Clinical Assurance Committee, and had been provided with assurance that the recommendations indicated as completed where robustly evidenced. The Council was informed that the Governance and Clinical Assurance Committee would continue to provide oversight of the action plan to ensure that evidence remains relevant and that an update would be published on the Trust website.

Resolved:

The Committed noted the annual update and of compliance against the recommendations contained within the report - Trust response to the Francis Recommendations.

040 Staff Survey results 2015

The Director of Workforce & Marketing provided a presentation and report on the outcomes of the national staff survey held in 2015 and reported that the organisation had achieved its best response rate to-date at 64% for overall staff engagement (3% higher than 2014 and 23% higher than the national response rate). There was an overall trend of improvement in positive responses, improving in over 43 questions/sub questions compared to 2014. The Trust's responses demonstrated that the organisation was moving closer to the average for Acute specialist Trusts. Staff engagement score has improved from 3.73 to 3.86 (against a national score of 3.78).

The Director of HR and Marketing advised the focus for 2016 was to continue to implement the Putting People First Strategy 2015-2018 through the Putting People First Committee which was led by Tony Okotie, Non-Executive Director.

041 Board Assurance Committee updates

The Chair advised that following the appointment of the non-executive directors each of the Board Committee had all been allocated additional Non-Executive Director (NED) members, explaining that each committee would now have three NED's one of which would be chair. The Chair recognised that the Council had received as part of the pack of papers the relevant performance information and asked that Tony Okotie and Ian Haythornthwaite report to the Council on the activity of each Board committee.

Putting People First Committee held on 15th April 2016

Tony Okotie presented the putting people first (PPF) committee and noted the progress to date of the implementation of the Trusts Putting People First strategy 2015-2018 and of progress made against each area, emphasising that staff were fundamental to the delivery of safe, effective care and patient experience and highlighting the need to continue investing and engaging with staff to make their work experience a positive one. The PPF Committee noted the positive steps made, which were supported by the evidence included in the report taken from the Annual Staff Survey.

The PPF Committee noted the robust plans to manage the on-going Junior Doctors Industrial Action and the proposed next action on 26th and 27th April which involved withdrawal of all labour including emergency cover. Careful and thorough planning is well underway to manage the action and mitigate any clinical risk.

Resolved:

The Council noted the NED report of Putting People First Committee

Chair's report of Finance Performance and Business Development Committee held on 21 March 2016

Ian Haythornthwaite provided a verbal Chair's report from the Finance Performance and Business Development (FPBD) Committee meeting held on 21 March 2016. He advised on the assurance the FPBD committee had received on the delivery of the planned deficit and the control of CIP. He advised that there had been re-assurance on Monitors view of the Trust's financial position and as a NED was satisfied that the trust was operating in the most effective and efficient way in order to deliver the agreed deficit.

Director of Finance advised that she is happy to undertake 1-1 meeting with any Governors to help understand the financial position if they wished to take up the offer. If so could they contact her through the Trust Secretaries office.

Resolved:
The Council noted the Chair's report of Finance Performance and Business Development Committee.

Chair's report of the Audit Committee meeting held on 21 March 2016
Ian Haythornthwaite presented the Chairs report from the Audit Committee meeting held on 21 March 2016 and reported that the meeting covered both internal and external audit reports including the Head of Internal Audit opinion for 2015/16 and the external audit plan for the audit of the annual report and accounts 2015/16.

Ian Haythornthwaite reported that the Audit Committee had received assurance that the Trust has an adequate and effective framework for risk management, governance and internal control and advised that for future Audit Committee meetings, the Audit committee had requested the attendance of Executive Directors to be held to account for specific areas within their portfolio that had been reviewed as part of the internal audit assurance process.

Resolved:
The committee noted the Chair's report of Audit Committee.

Chair's report of the Governance and Clinical Assurance Committee meeting held on 21 March 2016
Tony Okotie presented the Chair's report from the Governance and Clinical Assurance (GACA) Committee meeting held on 21 March 2016 and reported on the activity of the GACA committee which included the receipt of the SEE report. He reported of lots of ongoing work focusing on the patient experience.

The Committee had discussed a rise in Safeguarding issues that had required addressing and referred the matter to the Director of Nursing and Midwifery who advised that there continued to be considerable focus on safeguarding and its impact on the Trust's services.

Resolved:
The Council noted the Chair's report of Governance and Clinical Assurance Committee

Chairs report Charitable Funds committee held on the 11th January 2016
Tony Okotie presented the Chairs report from the Charitable funds committee (CFC) meeting held 11th January 2016 and informed the Council of the decision to merge the Newborn Appeal with the Trust's hospital charity, Kitty which would allow for greater focus on raising money to support all the activities within the Trust. He advised that he hoped that Governors would become more involved in the Charity going forward.

Resolved:
The committee noted the Chairs report for Charitable Funds committee

042 Financial and Operational Plan 2016/2017
The Director of Finance and Associate Director of Operations introduced the Trust Financial and Operational Plan 2016/17 that set out the projected financial and operation position of the Trust. The Director of Finance advised that the financial plan had been reviewed by the Executive Committee and Board and aligns itself to the Trusts operational plan and strategic objections. She reported that the financial plan was challenging but felt that it was deliverable, with recognition that in order to deliver the Plan the Trust must deliver a challenging Cost Improvement Plan (CIP) not only for 2016/17 but also for future years.

The Director of Finance reported on the Trust's CNST premium which was set to increase by £3.9m in 2016/2017, this represents a 38.7% increase on the prior year. Director of Finance advised that Monitor were aware of the Trust's position and recognised that there was very little the Trust could

do in reducing the deficit. She advised that if additional savings were to be made then the Trust would need to seek increased funding from the CCG in order to offset any additional savings as there was not additional savings to be had within the Trust.

Resolved:
The Council noted the Financial and Operational Plan 2016/2017

043 Future Generations update

The Chief Executive updated the Committee on the current position of the Liverpool CCG's options appraisal for women's and neonatal services. She explained that since the CCG's governing body met on 8 March 2016 and approved the trust's clinical case for change that had been presented to the Council at previous meetings. She went on to explain that following the CCG's recognition of the requirement to review women and children's services in the city the process had started with the appointment of the CCG's advisers FTI Consulting, who would be actively engaging with the Trust and other stakeholders. The Chief Executive advised that the Trust was willing to share all information and data they had when the Trust developed the clinical case for change in order to support the process.

The Chief Executive advised that the Executive team and clinicians would be fully engaged in the process and that she would continue to keep the Council appraised on the process.

044 Review of risk impacts of items discussed

No new risk items discussed

045 Any other business

The following matters were reported:

a) Gill Walker advised of promoting internal/external engagement with Governors/Executives raising awareness of forthcoming events such as the Honeysuckle Ball and the Memorial Service.

b) Sharon Owen advised of the opening of a Memorial Garden area of tranquillity located directly behind Emergency Room; predominately aimed at emergency room users and patients but can be facilitated by everyone. Governors and Board members were encouraged to attend the opening on the 12th May.

046 Review of meeting

Meeting finished to time. The Chair welcomed any feedback or comments on any topics for discussion at future meetings. Chair acknowledged and thanked the Governors for their attendance.

Governors were in agreement to the chair's request that all Governor and Board member sit together at the table, at future meetings

047 Date and time of next meeting

Wednesday 20th July 2016 at 17:30 in the Blair Bell Lecture Theatre Liverpool Women's Hospital

Liverpool Womens NHS Foundation Trust
Council of Governors
Action Log 20 July 2016

Meeting date	Ref	Item	Action	By whom?	By when?	Status	Update
01/12/2015	15/16/110	Results of election for Lead Governor and vacancies for Nominations committee, Remuneration committee and membership committee	To review how the Trust communicates with Governors and look at possibilities of giving Governors access to a Liverpool Women's account to access a Council of Governor folder on the intranet	Trust Secretary /Chair	update to be provided at the Council meeting on 20/07/2016	On-going	The Trust Secretary and Chair are reviewing the arrangements for the provision of Council of Governors materail in order to provide the best possible information to Governors. Due to the nature of the Trust Website it was not possible to provide a Governors only section. Discussions are ongoing regarding the purchase of a new web system that would allow for such a section in the future. Progress will be reported through the Patient Experience and Membership Engagement Committee.
20/04/2016	2016/038	Chairs update report from the Membership strategy Committee meeting held on 12th April 2016 and the minutes of the 9th February 2016 meeting	The Governors to inform Ms Phillips, if they would like to be part of the cohort of members of the 'Patient Experience and Membership Engagement Committee' and the Trust Secretary agreed to send out a reminder to the Council.	Governors	before the next 'Patient Experience and Membership Engagement Committee' held on 21 June 2016	Completed	Governors responded to the request: Sheila Phiilps, Sheila Gwynn Adams, Pat Speed, Cynthia Dowdle, Mary McDonald, John Foley, Saad AlShukri, Sarah Carroll (attend as and when can). It is recognised that Governors are able to attend the meeting as and when able to and all governors will receive a copy of the agenda and papers.

LIVERPOOL WOMEN'S NHS FOUNDATION TRUST

ANNUAL REPORT & ACCOUNTS 2015 /16

LIVERPOOL WOMEN'S NHS FOUNDATION TRUST

ANNUAL REPORT & ACCOUNTS 2015 /16

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

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1. Foreword from the Chair & Chief Executive

Welcome to Liverpool Women's NHS Foundation Trust's annual report and accounts for the financial year 1st April 2015 to 31st March 2016.

Below we share with you some of the highlights of our work during the year and set out details of our performance, which can be found in the following reports.

2015/16 has been an extremely challenging year for Liverpool Women's but as always our people have remained firmly focused on providing safe and excellent healthcare, delivered in a friendly and caring environment.

Key highlights have been

- CQC inspection Report: we received an overall rating of 'good' by the Care Quality Commission (CQC), following a series of announced and unannounced inspections earlier this year and we were described as 'caring, effective and well-led' by the CQC .
- CQC Maternity Survey: we were ranked amongst the very best maternity service providers in the country by our healthcare regulators, the Care Quality Commission, receiving one of the best scores in the country in a national survey of maternity services. The survey particularly praised the Trust's focus on supporting mothers with breast-feeding, ranking Liverpool Women's 2nd in the country.
- Women's Hospital Ranked Safest in UK: we were ranked the best in the country by our patients for providing safe and high quality care and were the second best hospital in the country overall in the national inpatient survey conducted by our regulators, the CQC.
- Liverpool Women's Midwife wins prestigious award: We know it is our people that make the difference to our patients and their families. We were proud to see Midwife Lisa Jones, who works on our Midwifery Led Unit, be named Midwife of the Year in the prestigious British Journal of Midwifery Practice Awards. Liverpool Women's dominated this year's Awards, with Gillian Walker, a midwife within the Trust's Honeysuckle Team and Sarah Martin, also a member of the Honeysuckle Team, both achieving runner-up awards. We are a hospital that prides itself on the quality of our teaching and education, and were delighted to see Ela Yuregir, of Liverpool John Moores University, achieve runner-up in the Student Midwife of the Year category, after completing her placement at the hospital.
- Showcasing our Services – Channel 4's popular documentary One Born Every Minute chose to come back to Liverpool Women's for a second series. We are proud to showcase our people and the care they deliver in the nation's most popular programme about birth, and there is no doubt that it has raised the profile of Liverpool Women's nationally and internationally.

Financial position and performance: over the year we have delivered against all national performance targets and achieved an overall Financial Sustainability Risk Rating of 2 against our planned rating of 2. Although we delivered fantastic services to our patients and achieved all targets, our deteriorating finances meant that Monitor (now NHS Improvement), our regulator, was required to undertake an investigation into our financial governance arrangements and acknowledged that we had already taken steps to address our financial challenges but had intervened to determine what additional support Monitor could offer us as we sought to reduce our financial deficit and ensure its long term sustainability. On the 8 April 2016 Monitor took the next

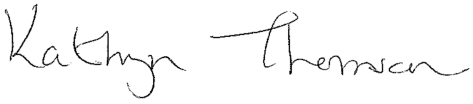
step following the investigation, to ensure that we deal with the continuing financial issues we faced and we entered into an enforcement undertaking which we will stringently comply with. The impact of having an enforcement undertaking and having receipt of funding from government has meant that our governance rating with Monitor is now red.

Review of Health Services for Women and Babies: Healthcare never stands still and we are always looking to the future and identifying opportunities to develop and improve our services further. As mentioned, 2015/16 saw the Trust's clinicians working together to develop our Clinical Strategy for Future Generations. We are now working closely with our colleagues in Liverpool – both commissioners of services and other hospitals – as part of the Healthy Liverpool Programme to plan the delivery of services for the future Thank you to the many of you who participated in our Summer of Listening and put forward your views on what you value most about Liverpool Women's and where we could be even better in future. Your contribution will help us shape our services for future generations and there will be many more opportunities to get involved as our plans develop.

We would like to end our introduction with a series of thanks.

Firstly, thanks go to every single person who chooses to have care at Liverpool Women's and for giving the Trust's staff the privilege of caring for them and sharing with them in their significant life moments. Being excellent at all we do is the focus of the Trust each and every single day and it will always be so. Thanks also go to the Trust's staff, Governors, members, volunteers and fundraisers who together make Liverpool Women's the great place it is.

Robert Clarke
Chair
20 May 2016



Kathryn Thomson
Chief Executive
20 May 2016

2. Performance Report

2i. Overview of performance

What is Liverpool Women's

Liverpool Women's NHS Foundation Trust is a specialist Trust providing maternity, gynaecology and genetics services in Liverpool and the North Mersey conurbation. It is also the recognised specialist provider in Cheshire and Merseyside of high risk maternity care including fetal medicine, the highest level of neonatal care, complex surgery for gynaecological cancer, reproductive medicine and laboratory and medical genetics.

The Trust:

- Is the largest hospital in Europe to exclusively care for the health needs of women.
- In 2015/16 the Trust:
    - Delivered 8,648 (2014/15 8,456) babies – an average of 24 (2014/15, 23) babies born at Liverpool Women's every day;
    - Undertook gynaecological procedures on 5,821 (2014/15, 5,884) women;
    - Cared for 1,091 (2014/15, 1,134) babies in our neonatal intensive and high dependency care units;
    - Performed 1,615 (2014/15, 1,676) cycles of *in vitro* fertilisation (IVF).

Our vision, aims and values are:

Our vision:	To be the recognised leader in healthcare for women, babies and their families
Our strategic aims – WE SEE:	To develop a well led, capable, motivated and entrepreneurial *workforce*;
	To be ambitious and *efficient* and make best use of available resources;
	To deliver *safe* services;
	To participate in high quality research in order to deliver the most *effective* outcomes;
	To deliver the best possible *experience* for patients and staff.
Our values – We CARE and	*Caring* – we show we care about people;
we LEARN:	*Ambition* – we want the best for people

Respect – we value the differences and talents of people;

Engaging – we involve people in how we do things;

LEARN – we learn from people past, present and future.

Liverpool Women's NHS Foundation Trust was authorised as a foundation trust on 1 April 2005. Before this date, the Trust operated as Liverpool Women's NHS Hospital Trust. That trust was created in 1995 when all services for women and babies in Liverpool came together under one roof at Liverpool Women's Hospital on Crown Street in Toxteth, Liverpool, a purpose-built hospital designed for providing care in the twenty-first century. We also began providing services at the Aintree Centre for Women's Health in 2000, which provides care to women from north Liverpool, Sefton and Knowsley.

Strategy and business model

The trust's strategy is to remain at the forefront of providing high quality clinical care to women, babies and families within a service model that achieves clinical excellence and is financially sustainable. The trust's business model is that of an NHS Foundation Trust. NHS Foundation Trusts are legal entities in the form of public benefit corporations and operate under a licence which is issued by Monitor (now NHS Improvement), the sector regulator for health services in England. The model has a framework of local accountability through a unitary Board of Directors, members and a Council of Governors, which replaced central control from the Secretary of State for Health.

The strategy for the future

The Trust has a fabulous record of specialist women's services in the City and they have constantly evolved to meet the changing needs of women and babies. However, since the Crown Street site was designed over 20 years ago a lot has changed.

The health needs of the women and babies cared for has changed, for example the number of women over the age of 40 having babies at the hospital has doubled in the last 10 years and women with complex health problems are now also able to have babies.

Gynaecological cancers are increasing and more complex surgery is taking place, and babies that wouldn't have survived 20 years ago are now being cared for in our neonatal unit which requires more space to meet national standards.

As a result, Trust doctors, nurses, midwives and other health specialists commenced a review of the Trust's services in 2014, which continued through a Summer of Listening in 2015 with the people of Merseyside to also gain their views.

The main feedback from the Summer of Listening was:

- People value our staff and feeling safe the most;
- People feel that Liverpool Women's is a special place because of the way care is provided and because of our staff;
- Having all services under one roof and a range of specialist clinics are important to people in any future developments.

Following further work with Trust staff and partners, the Future Generations Clinical Strategy 2016-2020 was produced and agreed by the Trust Board in November 2015. It involved:

- Identifying the clinical standards we want to achieve in each of our services, now and in the future;
- Being clear about which services need to be provided together in order to manage clinical risks effectively;
- Exploring how our services can be remodelled in order to provide care closer to patients' own homes;
- Thinking about which of our services need to grow and develop;
- Defining how we need to operationally organise our services – what happens where, when and for whom;
- Reviewing our options for operational changes in each service, including estates and Information Management and Technology;
- Listing and engaging with the public, patients, members, our partners and our staff to make the right choices for our clinical services;
- Setting out clearly the clinical case for change from which to develop a business case.

In addition to the clinical reasons for change, the Trust also has a series of financial challenges that are outside of its control, namely:

- The maternity tariff not being sufficient to cover the cost of providing maternity services;
- The national efficiency requirement of generating 4% savings per annum; and
- The annual clinical insurance premium paid by the Trust being high as a result of a previous legal case.

NHS Liverpool Clinical Commissioning Group (CCG) (which pays for the majority of the Trust's services) supports the clinical case for change and also the need to achieve financial sustainability in order to protect these services for the future.

As such they have launched a Review of Women's and Neonatal Services in Liverpool which will lead to a formal consultation on proposed changes in late 2016/ early 2017.

The Trust's position in its Clinical Strategy is that our hospital services need to be based on the same site as other hospital services, in order to maintain our very high standards and improve further. The Trust's ambitions are also to provide more services in outpatients and in the community where appropriate.

The Board is committed to ensuring that the very special relationship and experience that women currently enjoy at our Crown Street site continues in whatever changes may lie ahead. Our staff build those relationships and make that experience so positive - and our specialist staff workforce is very much here to stay.

Despite being recognised as an efficient provider of services the Trust does have a financial deficit and whatever solutions are found for the future of our services they do need to be affordable. However, Trust clinicians have been clear that even without the financial challenges the services would still

need to change, as this is the right thing to ensure care for patients remains safe and of the very highest quality.

More information about Future Generations:

- There are over 550 transfers of women in ambulances across the City to and from the Women's each year, and a further 250 transfers of babies.
- A good example of the challenges faced would be a woman who came to the Women's for a caesarean section but her heartbeat was really slow, so she was transferred in an ambulance to the Royal Liverpool Hospital where she had a pace-maker fitted by their heart specialists. She was too poorly to be transferred back to the Women's and so our team delivered the baby at the Royal Liverpool. The baby then needed to be transferred back to our Neonatal Unit, meaning that he was separated from his mother until she was well enough to be discharged.
- Many of the procedures conducted by our gynaecological surgeons are now carried out as 'day cases', meaning women do not need to stay overnight. As technology and research continues to develop, this will be something that the Trust is able to offer more women.
- Further information can be found on the Trust website at www.liverpoolwomens.nhs.uk

Care Quality Commission Inspection

The trust has been given an overall rating of 'good' by the Care Quality Commission (CQC), following a series of announced and unannounced inspections. The trust was described as caring, effective and well-led in a report issued by CQC in May 2015.

Achievements against our strategic aims are outlined below.

We will develop a well led, capable, motivated and entrepreneurial workforce

We have:

- Seen local and national recognition for leaders in the trust including:
    - British Journal of Midwifery Practice Awards 2016; Lisa Jones, MLU Co-ordinator was awarded Midwife of the Year, Gillian Walker was awarded 3rd place in the same category. In the category of Contribution of Non-midwife to Midwifery Practice, Sarah Martin, Honeysuckle Team, was awarded joint 2nd prize.
- Successfully moved the Clinical Genetics from Alder Hey Hospital to Liverpool Women's Hospital.
- Dr Colin Morgan, a Consultant Neonatologist in our Neonatal Intensive Care Unit has been appointed Head of School of Paediatrics at NHS Health Education England, North West Region.
- Angela Douglas, Scientific Director of the Cheshire and Merseyside Genetics Laboratory Service at the trust, was named Healthcare Scientist of the Year, the top honour, at the 2015 Healthcare Science Awards.

We will be ambitious and efficient and make best use of available resources

We have:

- Completed the project to introduce a shared IT platform across both areas of the laboratory (Cyto and Molecular)

We will deliver safe services

We have:

- Maintained accreditation for our Genetics Laboratories;
- Achieved one of the lowest multiple birth rates in the UK following infertility treatment; the UK average is 10% and the trust's Hewitt Fertility Centre is achieving 5.1%;
- Maintained zero C.*Diff* infection rates for the second consecutive year
- Improved incident reporting rates across the trust which supports learning and practice change
- Awarded funding by the National Patient Safety Agency to assist in the reduction of avoidable harms over the next 3 years by reducing the incidence of Hypoxic Ischaemic Encephalopathy and reducing the incidence of sepsis
- Participated in regional initiatives to improve learning across providers when errors occur
- 36 staff have participated in investigation training to ensure that there is consistency and objectivity in the investigations undertaken within the trust
- Worked closely with local partners to deliver complex Joint Gynaecology procedures
- Completed a review of community midwifery that has resulted in :-
    - in increased bookings to the service
    - Care closer to home;
    - Provision of flexibility to women in both location and timing of appointments;
    - Choice of place of birth;
    - Increase in home births through promotion of normality and choice (highest in region);
    - Introduction of an 'early birth assessment at home' which will reduce unnecessary admissions to hospital.
- Participating in a working group led by NHS England, reviewing maternity harms and National recognition of harms reporting to standardise what is safe maternity care nationally.
- Continued to recruit to Midwifery posts and maintain agreed staffing ratio (1:29.5)
- Improved one to one care in labour and triage and assessments targets due to improved staffing levels
- Implemented mainstreaming of BRCA testing to all women with Ovarian Cancer at high risk ahead of NICE guidance.

We will participate in high quality research in order to deliver the most effective outcomes

We have:

- Successfully introduction of new technology and services NESP and NIPT which has resulted in additional income generation allowing the service to meet it CIP target for 2015/16
- Been a finalist in the Research and Development Awards for partnership working for Obstetrics and Gynaecology at the North West Coast AHSN Research and Innovation Awards
- Successfully bid the 100,000 Genome Project and have consistently led the national league table for recruitment of candidates for this project.

We will deliver the best possible experience for patients and staff

We have:

- 98% of our patients would recommend our hospital to friends and family
- Launched our experience strategy aiming to improve involvement of users in the services we provide and in future developments
- Hosted a Service of Remembrance for over 300 women and their families as part of Baby Loss Awareness Week
- Successfully led the Cheshire and Merseyside Women's and Children's Acute care collaboration bid which became a NHS England Vanguard for new care models.
- Reviewed and amended our complaints management processes to ensure they are compliant with best practice and to provide investigation reports to women and their families when they raise concerns
- Delivered 1:1 care in established labour for 96% of all women who chose to birth with us
- Been awarded funding to introduce a translator booth within Antenatal clinic to assist patients with information and access
- Maintained all access targets for 18 weeks and Cancer pathways
- Increased the number of ambulatory procedures by over 30%
- Successfully moved to a new clinic model following a service review and created 1000 additional clinic appointments per year with no additional resources.
- Established Cardiac and Neuro Genetics Clinics

Key issues and risks that could affect the foundation trust in delivering its objectives

The trust continues to face risks to achieving its strategic objectives and has established and maintained a comprehensive Board Assurance Framework and supporting Corporate Risk Register to identify, understand and manage risk.

The Board Assurance Framework and Corporate Risk Register are subject to regular review and appraisal to ensure risks are managed proactively. Systems and controls have been established to manage the risks, which are monitored by the Board on a regular basis.

In accordance with the Risk Management Strategy the trust keeps under constant review all potential significant risk exposures in the future and makes an annual Risk Appetite Statement.

The principal risks and uncertainties facing the trust include:

1) In order to be clinically and financially sustainable the trust will need to undertake major change over an extended time period. There are associated risks of:-
   - Failure to communicate clearly and effectively during a period of significant changes.
   - Failure to maintain a focus on the operational delivery of services.
   - Failure to attract and retain high calibre clinicians and managers.

2) The separate site on which the trust is based.
   - This presents a clinical safety risk as it does not provide for sustainable integrated care.
   - The reduced availability of neonatal cots has heightened the risk that women with babies likely to need admission to a Neonatal Unit, because of either prematurity or congenital malformation, are transferred out as there is no capacity to deliver this at Liverpool Women's.

3) Maintaining safe staffing levels

4) Delivering the trust's financial and operational plans for 2016/17

5) Achieving benefits from the trust's IT Strategy

6) Developing a sustainable Genomic Centre

Going concern disclosure

These accounts have been prepared on a going concern basis.

Liverpool Women's NHS Foundation trust faces a significant financial challenge and is forecasting a deficit of £7m in 2016/17 with a £7.7m cash shortfall. This will lead to a Financial Sustainability Risk Rating (FSRR) of 2, with the position further deteriorating in 2017/18. The Board of Directors predicted this position in June 2014 when the five year plan indicated that the trust would no longer be financially sustainable in a 'do nothing' position, and commissioned a strategic options review that would address both the financial and clinical challenges ahead so as to develop plans for the continuity of its services. The outcomes of this review are currently being developed by the trust's lead commissioners.

The Board has taken comfort from internal and external audit regarding the financial controls within the trust. This coupled with a recent efficiency review commissioned externally by the trust and further targeted work performed internally indicates that the trust is efficient and managed well financially. The financial challenges arise from structural problems, notably from within the maternity tariff and from Clinical Negligence insurance premiums.

The trust has applied for £7.7m of Distressed Funding from the Department of Health for 2016/17and will be informed in May 2016 as to whether this application has been successful. If the application is

successful the trust will achieve a Financial Sustainability Risk Rating (FSRR) of 2. If the application is unsuccessful the trust anticipates enhanced regulatory action. This represents a material uncertainty, which may cast significant doubt about the trust's ability to continue as a going concern.

The National Health Service has a process for managing organisations that are in financial distress which will enable the services provided by Liverpool Women's NHS Foundation Trust to continue and ensure that all staff and suppliers are paid. This will ensure that the financial stability issues are managed in a controlled manner which does not adversely impact on the services provided to patients. On this basis, the Directors have a reasonable expectation that the Liverpool Women's NHS Foundation Trust will continue in operational existence for the coming 12 month period and for this reason they continue to adopt the going concern basis in preparing the accounts.

2ii Performance analysis

Performance against key targets

The trust's performance against national targets has remained strong during the year. Details of the national targets that are required to achieve are set out below, together with our actual performance:

Indicator Name	Target	Performance 2015/16	
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	92%	**95.2%**	Achieved
A&E Clinical Quality - Total Time in A&E under 4 hours	95%	**99.1%**	Achieved
Cancer 62 Day Waits for first treatment (from urgent GP referral) - post local breach re-allocation	85%	**87.2%**	Achieved
Cancer 62 Day Waits for first treatment (from NHS Cancer Screening Service referral) - post local breach re-allocation	90%	**100%**	Achieved
Cancer 31 day wait for second or subsequent treatment - surgery	94%	**100%**	Achieved
Cancer 31 day wait from diagnosis to first treatment	96%	**99.7%**	Achieved
Cancer 2 week (all cancers)	93%	**95.9%**	Achieved
Clostridium difficile due to lapses in care	0	**0**	Achieved

The trust also reviews performance against other Key Performance Indicators. Details of the main targets the Board of Directors reviews on a monthly basis are set out below, together with our actual performance.

Indicator Name	Target	Performance 2015/16	
18 week referral to treatment times: admitted (all specialties)	90%	97.0%	Achieved
18 week referral to treatment times: non-admitted (all specialties)	95%	95.5%	Achieved
Incidence of MRSA bacterium	0	1	Did not achieve
NHS staff satisfaction	3.78 National average for staff engagement	3.86	Achieved
Delayed transfers of care	≤3.5%	0	Achieved
Last minute cancellation for non-clinical reasons	≤0.8%	0.7%	Achieved
Last minute cancellation for non-clinical reasons, not readmitted in 28 days	≤5%	0.01%	Achieved
One to one care in established labour	95%	95.7%	Achieved
To provide epidural pain relief to at least 95% of women requesting it, where possible and clinically appropriate	95%	94.7%	Did not achieve

How the trust checks performance against the targets can be found within the Annual Governance Statement.

In respect of the targets the trust did not achieve:

Incidence of MRSA bacterium - The trust is disappointed not to have achieved the target of zero cases of MRSA, with one case being identified during 2015/16. Each MRSA bacteraemia case is investigated with all staff involved using detailed Root Cause Analysis identifying areas for improvement. A number of actions have been put in place to reduce the risk, including enhanced surveillance and training. The delivery of this work is overseen and monitored by the trust's Governance and Clinical Assurance Committee and ultimately the Board.

To provide epidural pain relief to at least 95% of women requesting it, where possible and clinically appropriate - The provision of an epidural on patient request promotes a sense of safety and trust, if a women reports a less anxious less painful state, she is more likely to achieve the birth she has planned. The inability to provide an epidural for a non-clinical reason creates distress to women and families. The trust committed to the aim of providing epidural pain relief to at least 95% of women requesting it, where possible and clinically appropriate. There has been an improvement compared to the 2014-15. However, the Trust has not met its own internal target of 95% against this priority. This is not unexpected as the priority was selected after a deficit had been highlighted in 2013-14. The trust will monitor on a weekly basis the provision of all requested epidurals from women in both the

high risk central delivery suite and the low risk midwifery led unit. Weekly reports of the non-provision of an epidural for a non-clinical reason will be provided to departmental managers, matrons and the Head of Midwifery to take action. Local clinicians monitor this priority, reporting regularly on progress to the local quality meetings. Progress is overseen by the Effectiveness Senate with exceptions escalated as necessary, ultimately to the Board.

The position of the trust at 31 March 2016

The trust ended the year with a deficit of £7.2m after all expenditure was accounted for. This reflects the structural financial issues being faced by the trust which are detailed elsewhere in this report.

	31 March 2016 £000's	31 March 2015 £000's
Income	102,262	97,266
Operating expenses	(107,750)	(98,070)
Financing and Public Dividend Capital	(1,718)	(1,921)
Retained deficit	(7,206)	(2,725)

The trust also delivered an overall Financial Sustainability Risk Rating (FSRR) of 2. In August 2015 Monitor updated the Risk Assessment Framework and introduced a financial sustainability risk rating (FSRR) which describes the risk of a provider ceasing to be a going concern and its overall financial efficiency. This rating represents Monitor's view of the likelihood that a licence holder is, will be or could be in breach of its licence conditions.

The changes to the assessment include:

- monitoring in year financial performance (income and expenditure margin) and the accuracy of planning
- combining a foundation trust's rating on these two measures with the existing elements of the Continuity of Services (CoS) risk rating to produce a new single financial sustainability risk rating

The breakdown of our FSRR and Continuity of Services (CoS) rating for the last two years is provided below:

Monitor Ratings	2015/16 FSRR	2014/15 CoS
Under the Risk Assessment Framework		
Liquidity	2	4
Capital Servicing capacity	1	2
Income and Expenditure Margin	1	N/a
Income and Expenditure Variance	4	N/a
Overall Financial Sustainability Risk Rating /Continuity of Service Rating	2	3

An overall FSRR rating of 2 indicates a material level of financial risk. The lowest level of risk is represented by a score of 4, and the highest level is 1 indicating significant level of financial risk.

Full details of the trust's financial performance in 2015/16 can be found in the annual accounts within this report.

Business overview

In 2015/16 the trust had in place two main contracts which represent the majority of income received for the services provided. These were with Liverpool Clinical Commissioning Group and Associates and NHS England (Specialised Commissioning) from whom we received £65,319k and £17,333k respectively. These contracts represent 81% of the trust's total income and 87% of the trust's clinical income. The majority of this income is in relation to maternity, gynaecology and neonatal services for the population of Liverpool and beyond.

In common with the majority of NHS organisations the trust continues to face significant financial challenges. These are exacerbated by specific issues with regards to the tariff paid for maternity and the costs of legal premiums payable by the trust.

The trust has delivered significant levels of cost savings in recent years and the need to deliver efficiency savings remains. Plans are in place to deliver £2m savings and improvements in 2016/17 which is broadly in line with the national expectation. The trust has a strong record of delivering these efficiencies whilst continuing to develop the standard of clinical care to our patients.

As part of the on-going 'Future Generations' review the trust continues to look at options which can deliver the required standard of services in the most cost effective way.

Capital

Details of capital expenditure for 2015/16 are given in the table below from which it can be seen that the trust continues to reinvest in its estate, medical equipment and information technology for the benefit of patients.

Capital expenditure	2015/16 £000s	2014/15 £000s
Buildings	1,017	1,854
Fixtures and fittings	114	44
Information Technology	1,469	2,666
Medical Equipment	2,015	894
Total	4,615	5,458

Cash

As a result of the on-going deficit it was necessary for the trust to apply for £5.6m of Distressed Financing from the Department of Health. This was approved following a detailed review of the trust's financial plans by the trust's regulator. There will be a further requirement for cash support in 2016/17.

Financial risk management

The key financial risk to the trust is maintaining financial sustainability and this is articulated in the Board Assurance Framework which also identifies mitigating actions. The Board Assurance Framework is reviewed regularly by the Board of Directors and its relevant Board assurance committees.

Environmental matters/climate change

As stated in our previous report we have been working in collaboration with two other trusts; Aintree and the Walton Centre in conjunction with the Carbon Energy Fund (CEF) in delivering a long term energy reducing strategy.

We are now starting to deliver on that by having work carried out and the last quarter of this year has seen quite a lot of work commence.;

- Upgrading the chiller supplying cooling to parts of the trust; this has resulted in the removal of several tonnes of ozone depleting gases.
- Installing LED lights internally and externally which has resulted in an improved patient experience and reduced energy consumption
- Upgrading the Variable Speed Drives and other efficiencies on electric motors.

Works being carried out in the future relate to the installation of the Combined Heat & Power Unit and upgrade to variable speed drives and pumps thereby improving efficiencies. These works are to be completed during the course of the forthcoming financial year.

Utilities	Annual usage			Annual cost (£)		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
Gas (Kwh)	5,692,279	5,441,753	5,404,206	£219,509	£196,902	£ 173,291
Electricity (Kwh)	5,862,352	5,957,378	6,006,111	£715,949	£753,389	£ 724,471
TOTAL	**11,554,630**	**11,399,132**	**11,410,317**	**£935,458**	**£950,291**	**£ 897,763**
Water (m3)	32,895	32,776	34335	£ 52,080	£ 52,860	£ 57,663
Clinical waste (tonnes)	201	211	205	£111,108	£ 108,613	£ 114,120
Domestic waste (tonnes)	584	530	606	£69,363	£ 68,319	£ 71,207

The trust has trialled the use of an electric car for a period of six months. The uptake was mainly by those staff who wished to use it for one off individual tasks. The positive outcome of the trial is that the 'Blood Courier Vehicle' is now a hybrid car with a substantial reduction in the amount of pollution being generated. We continue to promote sustainable transport and are working closely with 'Breeze' in an effort to promote cycling amongst the workforce.

The trust continues to focus on waste and the Sharpsmart reusable waste systems which has been well received by all users and is in the process of introducing a new system that should see a reduction in the amount of bins in patients' rooms; this also will mean a difference in how the trust treats its waste. It is expected this will result in a cost reduction and an improved method of disposal.

Partnerships, social, community and human rights issues

The trust's commitment to playing a positive role as a part of the communities we offer services to, and from which much of our workforce is drawn, continues. The Council of Governors plays an important part in linking the trust with its members and the public and is able to act as a conduit for information and views.

This year we also worked with:

- Patients – whose feedback about the care we offer drives our relentless efforts to excel. This feedback is provided through a variety of channels, much of which is included in the regular reports to our Board of Directors' Governance and Clinical Assurance Committee and Council of Governors, detailing complaints, litigation, incidents and contacts with our Patient Advice and Liaison Service. Our Board of Directors continues to hear a patient story at the beginning of each of its meetings, sometimes told by the patient themselves in person or through a video or audio recording, or by a clinical member of staff on their behalf and with their consent. The trust remains committed to learning from, and responding to, all feedback we receive from patients.

  In 2014/15 the Patient Advice and Liaison Service was strengthened with the opening of a staffed office in the main reception area of Liverpool Women's Hospital and the installation of information boards promoting the service around the trust. With the help of local community groups we have ensured the new service is visible, accessible and user friendly to all patients and their families whatever their needs are.

  Further details of our work in respect of patient experience and patient involvement, are included in our quality report.

- Volunteers – whose commitment, enthusiasm and passion continues to positively contribute to the experience of our patients and the work of the trust. Amongst many other things they talk to and befriend patients, and support a range of events and activities at the hospitals including PEAT assessments and the trust's annual open day.

  In 2015/16 our volunteers gave a total of 13,162 hours of their time to helping patients, relatives and staff at the hospital. On average, our wards and departments have been supported by 63 volunteers on a weekly basis. Since the launch of the Volunteer Meet and Greet service in 2015, over 3000 patients and visitors have been welcomed and assisted on arrival by a volunteer.

- Hotel Services: 2015/2016 was our fifth year of working with G4S who provide our cleaning, catering and portering services. This year a new Contract Manager was appointed who has provided a much more visible and accessible role communicating with trust managers and staff to ensure the day to day hotel service requirements are met.

  In the third year of the annual PLACE Assessment (Patient Led Assessment of the Care Environment) the trust scores were 99.94%for cleanliness (national average = 97.57%), 92.55%

for quality of food (national average = 88.49%), 82.19% for privacy and dignity (national average = 86.03%) ,93.31% for condition and appearance (national average = 90.11%) and this year an additional category for dementia was included – trust score 77.42% (national average 74.51%)

- Sefton Oversight and Scrutiny Committee - In March 2016 this committee undertook and 'Enter and View' visit to the trust. Members of the Committee chose to visit the following clinical areas; Midwifery Led Unit, Neonatal Unit, Gynaecology Services, the Emergency Room and Clinical Genetics. Although this visit had been planned, clinical areas were not notified of the intended viewing. Feedback from the committee was very positive with respect to the quality of service they witnessed and with the engagement and professionalism of all staff they encountered.

- Safeguarding - The trust has continued to work in collaboration with other agencies to ensure the safety of women and children accessing our services. The Team has worked closely with stakeholders across Police, Commissioning and Social Care to progress and influence the standardisation of referrals to reduce delay in the referral processes. Considerable progress has been made with both to advance both the FGM and Honour Based Violence work streams.

- Liverpool Clinical Commissioning Group – during the year we worked closely with the CCG as a part of our strategic work to secure the future clinical and financial sustainability of the services we provide. This has proved challenging. However we have needed to seek support funding from a range of sources. Regular contract monitoring meetings were held in respect of the services the CCG purchases from the trust, including scrutiny of our quality performance. The CCG leads the Healthy Liverpool Programme in which the trust is actively engaged.

- Healthy Liverpool Programme – the trust has continued to be an active participant in this programme which is being led by Liverpool CCG. Its aim is to act as a vehicle to design, commission and secure a health service model for the people of Liverpool which is sustainable, ensures high quality and achieves value.

- Liverpool City Council – we continued to enjoy a very positive working relationship with Liverpool City Council, in particular by meeting with the Mayor and deputy Mayor to discuss the Mayor's Health Commission, the Healthy Liverpool Programme and the future strategic direction of the trust.

- University of Liverpool – with whom we continue to enjoy a strong partnership. We are proud that its Centre for Women's Health Research is located on the site of Liverpool Women's Hospital, bringing together in one location a number of research focused organisations and initiatives including the Centre for Better Births, the University Departments of Physiology and Women's and Children's Health, the Cochrane Pregnancy and Childbirth Group and the Sanyu Research Centre.

- Edge Hill University – with whom we continue to enjoy a partnership in respect of the people and services at our Hewitt Fertility Centre. The Centre's Professor Charles Kingsland, Consultant Gynaecologist, has a Chair at the University and Dr Stephen Troup, the Centre's Scientific Director, is a visiting Reader.

- Liverpool Health Partners (LHP) – is a collection of high quality research partners from across the Merseyside and Cheshire region and whose strategic role is set to strengthen. Liverpool Women's NHS Foundation trust is a founding partner of LHP whose vision is to create a leading national and global centre, where world-class research, teaching and clinical practice are brought together to improve the health of people across the region and beyond. LHP is driving North West Coast Genomics Healthcare which aims to bring together the considerable genomics expertise over this footprint. Its three main work streams are research, service and education. This initiative is also supported by the North West Coast Academic Science Network.

In 2015 the trust once again participated in the national mandatory Equality Delivery Scheme 2 (EDS2) which is a generic tool designed for both NHS providers and commissioners to enable them to consider the question 'how do people from protected groups and other disadvantaged groups fare compared with people overall'? For the 2015 assessment the outcomes we chose to show progress in were:

Goal 1: outcome 1.5 – screening, vaccination and other health promotion services reach and benefit all local communities.

Goal 2: outcome 2.3 – people report positive experiences of the NHS

Goal 3; outcome 3.3 - Training and development opportunities are taken up and positively evaluated by all staff.

Goal 3; Outcome 3.6 – staff report positive experiences of their membership of the workforce

Goal 4: outcome 4.3 – middle managers and other line managers support their staff to work in culturally competent ways within a work environment free from discrimination

We successfully showed progression through the grades for all five outcomes assessed in 2015, and are currently working in collaboration with other local providers and Healthwatch groups to determine the method of assessment for 2016.

2015 saw the implementation of the national Workforce Race Equality Standard (WRES), with our baseline submission/assessment made in July 2016. This standard has been introduced in response to recent research which has shown that the treatment and experience of Black and Minority Ethnic (BME) staff within the NHS is significantly worse, on average than that of white staff. This research has shown that over recent years BME staff were treated less favourably by every measure, including promotion, grading, disciplinary processes, bullying and access to non-mandatory training. Following this initial baseline submission an action plan was developed to help us to better understand the experiences of the BME staff working in the trust which we are currently working through in preparation for our 2016 WRES submission.

Accessible Information Standard - This Standard applies to service providers across the NHS and adult social care system, and it specifically aims to improve the quality and safety of care received by individuals with information and communication needs, and their ability to be involved in autonomous decision-making about their health, care and wellbeing. This is a national standard which involves us looking at how we identify and meet any additional communication needs patients and service users with a disability may have. A task and finish group chaired by the Deputy Director of

Nursing and Midwifery has been working on ensuring that the trust is able to meet its obligations relating to this standard and that we are able to ensure implementation by the June 2016 implementation date.

The 'Mindful Employer Charter' – involves a set of principles that an organisation aims to aspire to, many organisations are using the standard as a tangible display of their commitment to improving the working lives of their staff. The principles of the Charter encourages employers to recognise that people who have mental health issues may have experienced discrimination in recruitment and selection process which may discourage them from seeking employment but, given appropriate support the vast majority of people who have experienced ill mental health are able to work successfully, as do many with on-going issues. The trust became a signatory to this charter early in 2016 and by doing so we are committed to showing positive and enabling attitude to employees and applicants for employment who have mental health issues.

All trust policies continue to be subject to an Equality Impact Assessment as part of a stringent policy assurance process. The aim of the assessment is to identify any areas of potential discrimination and take appropriate measures to reduce this risk prior to the policy being released for use by our staff. Based on the procedures in place the trust is confident that it is taking all practicable measures to prevent discriminatory practices within all of its policies. In addition to policies the trust carries out Equality Impact Assessments in respect of all Cost Improvement plans to ensure any discrimination can be identified and eliminated at the earliest opportunity.

Likely future developments

In 2016/17 the trust will continue to support Liverpool CCG who are considering the strategic options aimed at ensuring services for women, babies and families remain clinically and financially viable.

Our plans can be found on the trust's website at www.liverpoolwomens.nhs.uk.

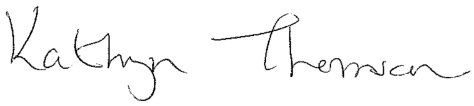
Important events since the end of the financial year

There have been two important events since the end of the financial year:

- On 20 April 2016 the Council of Governors ratified the appointed of four new Non-Executive Directors to the Board of Directors. Details can be found in section 3i(a) Directors Report.
- The trust signed an Enforcement Undertaking with its regulator, Monitor (now NHS Improvement). Details of the Enforcement Undertaking can be found at: https://www.gov.uk/government/groups/liverpool-womens-nhs-foundation-trust.

Overseas Operations

Liverpool Women's NHS Foundation Trust had no branches in operation outside the UK in 2015/16.



Kathryn Thomson
Chief Executive
20 May 2016

3. Accountability Report

3i(a) Directors' report

The board of directors

During the period 1 April 2015 to 31 March 2016, the following were members of the trust's board of directors:

Non-Executive Directors		
Robert Clarke	Chair	From 1 March 2016
Ian Haythornthwaite (1)	Non-Executive Director & Vice Chair	
Tony Okotie(2)	Non-Executive Director & Senior Independent Director	Appointed from 1 July 2015
Phil Huggon	Non-Executive Director	From 4 April 2016
Jo Moore	Non-Executive Director	From 4 April 2016
Ian Knight	Non-Executive Director	From 4 April 2016
David Astley	Non-Executive Director	From 4 April 2016
Edna Robinson(1)	Chair	Left on 5 October 2015
Liz Cross(1)	Non-Executive Director & Vice Chair	Left on 31 January 2016
Pauleen Lane	Non-Executive Director	Left on 31 March 2016
Steve Burnett(2)	Non-Executive Director & Senior Independent Director	Left on 13 November 2015
George Kissen	Non-Executive Director	Left on 2 December 2015
Executive Directors		
Kathryn Thomson	Chief Executive	
Dianne Brown	Director of Nursing & Midwifery	
Vanessa Harris	Director of Finance	
Michelle Turner	Director of Workforce and Marketing	
Joanne Topping(3)	interim Medical Director	To 17 April 2016
Jeff Johnson	Associate Director of Operations	
Andrew Loughney(3)	Medical Director	From 18 April 2016

Note:
(1) Following the resignation of the Chair, Edna Robinson, Liz Cross was appointed interim Chair until her term of office came to an end on 31 January 2016. From 1 February 2016 until 29 February 2016 Ian Haythornthwaite was appointed interim Chair.
(2) Following the resignation of Steve Burnett as non-executive director and Senior Independent Director on 13 November 2015; Tony Okotie was appointed the trust's Senior Independent Director.
(3) Joanne Topping was appointed interim Medical Director from 13 February 2015 until 17 April 2016 when Andrew Loughney took up the permanent post of Medical Director on 18 April 2016.
(4) Appointment and removal of Non-Executive Directors is the responsibility of the trust's Council of Governors. Non-Executive Director appointments may be terminated if individuals become ineligible to hold the position during their term of office, details of which are set out in the trust's constitution.

Directors' responsibility for preparing the financial statements

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 the NHS foundation trust's performance, business model and strategy.

Statement of disclosure to auditors

In accordance with the requirements of the Companies (Audit, Investigations and Community Enterprise) Act 2004, the trust confirms that for each individual who was a director at the time that the director's report was approved, that:

- so far as each of the trust directors is aware, there is no relevant audit information of which the trust's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the trust's auditor is aware of that information.

For the purposes of this declaration:

- relevant audit information means information needed by the trust's auditor in connection with preparing their report; and
- that each director has made such enquiries of his/her fellow directors and taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the trust to exercise reasonable care, skill and diligence.

Compliance with the code of governance

Liverpool Women'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 board of directors is committed to achieving the highest standards of governance within the trust and has established processes to enable it to comply with the Code of Governance. The code requires Foundation Trusts to make a full disclosure on their governance arrangements for the financial year 2015-16. The code also requires the board to explain how the main principles and supporting principles of the code have been applied. The information satisfying this requirement can be found throughout the Annual Report and Accounts. Furthermore the trust is required to provide a statement either confirming compliance with the provisions of the code or where appropriate, an explanation in each case why the trust has departed from the code. The trust's response to this requirement can be found in section 3iv Disclosures set out in the NHS Foundation Trust Code of Governance.

The code also requires the directors to make specified information available in the annual report, or to provide certain descriptions of governance arrangements. The annual report addresses these requirements, placing much of the information and appropriate statements in the content of the report.

Board meetings and attendance

During 2015/16 the board met 11 times. Attendance at the board meetings and Committee meetings is included in the table below. The board also held formal development days during the year and shorter development workshops on the day of the board meetings.

Director	BOARD OF DIRECTORS	AUDIT COMMITTEE	GOVERANCE AND CLINICAL ASSURANCE COMMITTEE	PUTTING PEOPLE FIRST COMMITTEE	FINANCE PERFORMANCE AND BUSINESS DEVELOPMENT COMMITTEE
Robert Clarke (from 1.3.16)	1 of 1	1 of 1	1 of 1		1 of 1
Edna Robinson (left 5.10.15)	4 of 6				
Liz Cross (left 31.1.16)	8 of 9		3 of 3	3 of 3	1 of 1
Pauleen Lane (left 31.3.16)	11 of 11	5 of 5	1 of 1	1 of 1	10 of 10
Steve Burnett (left 13.11.15)	7 of 7	3 of 3	4 of 4	1 of 2	
George Kissen (left 2.12.15)	7 of 8		5 of 5		6 of 8
Tony Okotie	8 of 11	3 of 4	4 of 4	2 of 2	5 of 5
Ian Haythornthwaite	9 of 11	5 of 5			9 of 10
Kathryn Thomson	11 of 11				4 of 10
Dianne Brown	9 of 11		4 of 7	1 of 4	
Vanessa Harris	11 of 11		2 of 7		9 of 10
Joanne Topping	11 of 11		3 of 7		
Michelle Turner	11 of 11		5 of 7	3 of 4	
Jeff Johnson	10 of 11		4 of 7		7 of 10

How the board operates

During the year under review the board comprised of the seven independent non-executive directors including the chairman and senior independent director, five voting executive directors including the Chief Executive and one non-voting executive director. The trust is committed to having a diverse board in terms of gender and diversity of experience, skill, knowledge and background. The biographical details of the directors together with details of the vice chair and senior independent director can be found in section 3i(c) Board of Directors pen portraits. During the year the structure and composition of the board changed, with the resignation of the Chair, Edna Robinson and non-executive directors Steve Burnett and George Kissen and the term of office ending for Liz Cross and Pauleen Lane. The vacancies caused the number of non-executive directors to fall below the number required within the trust's constitution for a period of six months whilst the trust undertook the recruitment of a new Chair and non-executive directors. All board and board committee meetings held during the year had been quorate and all decisions made by the board and its committees had been approved unanimously. The governor Nominations Committee considered, on behalf of the council of governors, the appointment of the replacement chair and non-executive directors over the period recognising the need to refresh the composition of the non-executive team taking into account the requirements of the trust, the skill mix of the board and the current NHS landscape and

challenges faced by the trust. The new Chair and non-executive directors bring a wealth of experience at board level and complemented the non-executive representation on the board in the provision of challenge and scrutiny on operational and strategic matters. Further details on the appointment of the Chair and non-executive directors can be found in section 3ii Remuneration Committee.

The board have a collective responsibility for the setting the strategic direction and the effective stewardship of the trust's affairs and ensures that the trust complies with its provider licence, constitution, mandatory guidance and contractual and statutory duties; provides effective and proactive leadership of the trust within a robust governance framework of clearly defined internal controls and risk management processes; and approves the trust's annual and operational plans, taking into account the views of governors; sets the trust's vision, values and standards of conduct and behaviour, ensuring that its obligations to stakeholders, including patients and members are met; ensures the quality and safety of services, research and education and application of clinical governance standards including those set by Monitor, the Care Quality Commission, NHS Litigation Authority and other relevant bodies. The board has a formal schedule of matters reserved for board decisions; these are included in the trust's scheme of reservation and delegations.

The unitary nature of the board means that non-executive directors and executive directors share the same liability and the same responsibility to challenge board decisions and development of the trust operations and strategy. The board delegates operational management and the execution of strategy to the executive team and has established an integrated governance committee structure to provide it with assurances that it is discharging its responsibilities. The formal schedule of matters reserved also includes the responsibilities of the council of governors as set out in statute and within the trust's constitution.

All directors have full and timely access to relevant information to enable them to discharge their responsibilities. The board met eleven times during the year and at each meeting reviews the trust's key performance information, including reports on quality and safety, patient experience and care, operational activity, financial analyses and strategic matters.

The board monitors compliance with objectives and is responsible for approving major capital investment and any borrowing. It meets with the council of governors, senior clinicians and divisional managers, and uses external advisors when necessary.

The proceedings at all board and committee meetings are fully recorded through a process that allows any director's concerns to be recorded in the minutes and assurances provided. The board meetings are held in public and minutes of these meetings and papers are published on the trust's public website.

Directors are able to seek individual professional advice or training at the trust's expense in the furtherance of their duties. The directors and governors have direct access to advice from the trust secretary who ensures that the board meetings, council of governors meetings and committee meetings procedures are followed and applicable regulations are complied with. The appointment or removal of the trust secretary is a matter for the board and the council of governors.

Balance, completeness and appropriateness

There is a clear division of responsibilities between the chair and chief executive, which has been agreed by both parties and the board. The chair is responsible for the leadership of the board and council of governors, ensuring their effectiveness individually, collectively and mutually. The chair is also responsible for ensuring that members of the board and council receive accurate, timely and clear information appropriate for their respective duties and for effective communication with patients, members, clients, staff and other stakeholders. It is the chair's role to facilitate the effective contribution of all directors, ensuring that constructive relationships exist between them and the council of governors. The chief executive is responsible for the performance of the executive directors, the day to day running of the trust and implementing and delivery of the trust's approved strategy and policies.

In accordance with the code of governance, all non-executive directors are considered to be independent, including the chair.

The directors' biographical detail set out in section 3i(c) Board of Directors pen portraits, demonstrates the wide range of skills and experience that they bring to the board. The trust's non-executive directors have each signed a letter of appointment to formalise their terms of appointment. All board level appointments are conducted to meet the requirements of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

Following the appointment of the chair and non-executive directors the board believes it has a good balance of skills, experience and length of service, however it recognises the value of succession planning for board members. The trust has a programme of board appraisal, individual appraisal and appointment or re-appointment to ensure the stability, succession, effectiveness and improve performance of the board.

Evaluation of board and committees

Performance evaluation of the Board, its Committees and individual Directors is undertaken in a number of ways:

- The whole Board reviews its performance each year. In 2014/15 this review was conducted independently for the trust by Deloitte LLP and was based on Monitor's recently published well-led framework for governance reviews. As a part of the process Deloitte's officers observed a number of Board and Committee meetings, met with individual members of the Board, held focus groups with patients, Governors and staff and interviewed key people in partner organisations.

  Deloitte's report of their review made forty six recommendations for how the Board might enhance its performance and governance arrangements even further. These recommendations are the subject of an action plan that has been regularly reviewed by the Board of Directors and was scheduled for completion in 2015/16. The date of completion had been reviewed during the year and the Board assessed the need to extend the timeframe for completion to mid-2016/17, whilst an extended report was commissioned, undertaken by Deloitte's into the governance and unitary nature of the Board. The Board noted the findings of the extended report and agreed to implement the recommendations in line with the original well-led review. The board believes that the matters that gave rise to the extended report related to an isolated period and has been addressed with the recruitment of a new Chair and non-executive directors. The board did not

consider these changes as having a negative impact on the decisions of the Board or the governance of the trust and the Board continued to act as a unitary Board over that period.

- At the conclusion of each meeting the Board and its Committees assesses the effectiveness of the meeting.
- The Board of Directors receives monthly updates and an annual report of achievements from each of its Committees.
- All Directors undergo appraisal each year during which there is an evaluation of their performance against their objectives as set at the beginning of the year:

    - The chair appraises all non-executive directors save for the senior independent director. The senior independent director appraises the chair and invites the views of other directors and members of the council of governors as a part of the process. The vice chair appraises the senior independent director. The outcomes from the appraisals of the Chair and non-executive directors is presented to the Remuneration Committee of the Council of Governors.

    - The chief executive appraises executive directors and the chair appraises the chief executive. a report on the outcome of these appraisals is presented each year to the remuneration committee of the board of directors.

The chair's other significant commitment are detailed section 3i(c) Board of Directors pen portraits and within the board of directors' register of interests. Members of the public can find the register of interests at www.liverpoolwomens.nhs.uk.

Directors can be contacted by email via the 'contact' link on the trust's website at www.liverpoolwomens.nhs.uk/Contact_Us/ or via the Executive Assistant to the Chair and Chief Executive, Sacha Keating, at sacha.keating@lwh.nhs.uk or on 0151 702 4038.

Understanding the views of the governors, members and the public

The board recognises the value and importance of engaging with governors in order that the governors may properly fulfil their role as a conduit between the board and the trust's members, the public and stakeholders.

The board and council of governors meet regularly and enjoy a strong and working relationship. Each is kept advised of the other's progress through the chair and includes standing items at both the board meeting and council of governors meeting for the chair to share any views or issues raised by directors, governors and members. Members of the board attend the council of governors meetings.

The council of governors receive copies of all board meeting agenda and minutes in accordance with the requirements of the Health and Social Care Act 2012 and the trust's constitution. All governors (and members of the public) are able to observe the meeting of the board held in public in order to understand the issues raised at the trust board. Governors are encouraged to attend the board meetings in order to observe the non-executive directors performance at the meetings in challenging and scrutinising reports presented by the executive directors. This helps the governors to discharge their duty in holding the non-executive directors, individually and collectively, to account for the performance of the board. Non-executive directors attend the council of governor meetings to report

on matters discussed at the board of directors and board committees; this provides the governors with additional opportunity to address any concerns they may have with non-executive directors that may have arisen during a board meeting or within the trust.

At the council of governors meetings there is opportunity for public and staff governors to feedback any issues from constituency members.

Independent advice of the trust secretary is available to all directors and governors in relation to all matters associated with the business of the board or council of governors. In line with the requirements of the Provider Licence all directors and governors have met the 'fit and proper' person test.

Register of interests

A register of significant interests of directors and governors which may conflict with their responsibilities is available from the trust secretary and on our internet site www.liverpoolwomens.nhs.uk.

Board committees

The board has three statutory committees; the Charitable Funds committee and the Audit committee, both chaired by an independent non-executive director; the Nominations and Remuneration committee, chaired by the trust chair. There are three additional committees; the Governance and Clinical Assurance committee; the Putting People First committee; and the Finance Performance and Business Development committee. Each works closely with the Audit committee but report directly to the board by way of committee chair reporting and sharing of minutes. Urgent matters are escalated by the committee chair to the board as deemed appropriate. Each committee is chaired by an independent non-executive director.

For further details on the work of the committees can be found at: Audit Committee see section 3i(b) Audit Committee; Nominations Committee and Remuneration Committee see section 3ii Remuneration report; Governance and Clinical Assurance committee, the Putting People First committee and the Finance Performance and Business Development committee see section 3vii Annual Governance Statement.

Research and Development

Research and development continues to be a key activity for the trust. Details of our research activity can be found in section 4; quality report.

Enhanced quality governance reporting

Arrangements are in place to govern the quality of services provided at Liverpool Women's NHS Foundation Trust. These are supported by the trust's Quality Strategy and its Quality Report, the latter of which can be found from section 4; quality report.

Structure, Leadership and Accountability

The board of directors provides leadership on the overall quality governance agenda. The Governance and Clinical Assurance Committee is the committee of the Board of Directors that oversees the delivery of this. The committee is chaired by a non-executive director and its core membership

includes an additional non-executive director, the executive directors, deputy director of nursing & midwifery and the head of risk, compliance and assurance governance.

The board committees are supported in their role by their reporting committees and groups. For quality governance this revolves around the Safety Senate, Effectiveness Senate and Experience Senate. The senates have responsibility for quality and clinical governance and were formed following a review of the trust's overall approach to quality governance during 2015. The changes to the meeting structure were mirrored by changes to the integrated governance staffing structure.

The trust has kept under review and updated its Risk Management Strategy, the last revision taking place in March 2016. The Risk Management Strategy provides a framework for managing risk across the trust in line with best practice from the Good Governance Institute and Department of Health guidance. The strategy clearly describes the process for managing risks and the roles and responsibilities of the board of directors, its committees, and that of all staff. It provides a clear, structured and systematic approach to the management of risk to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the trust. Risk Management requires participation, commitment and collaboration from all staff and there is strong focus on training and support given to staff to enable them to fulfil their responsibilities.

The trust continues to face risks to achieving its strategic objectives and has established and maintained a comprehensive Board Assurance Framework and supporting Corporate Risk Register to identify, understand and manage risk. The Board Assurance Framework and Corporate Risk Register are subject to regular review and appraisal to ensure risks are managed proactively. Systems and controls have been established to manage the risks, which are monitored by the Board on a regular basis.

The Board Assurance Framework and Corporate Risk Register are supported through the population by all services and departments of local risk registers. By monitoring and maintaining these locally this enables risk management decision-making to occur as near as practicable to the risk source. For those risks that cannot be managed locally these are escalated for a decision corporately as to the appropriate risk treatment method.

The trust encourages external participation in quality governance, driven through the Patient Experience Senate. This forum has seen patients, their families, Governors and external partners discussing issues important to them and identifying solutions. Regular walkabouts by members of the Board of Directors focus on safety and are supported by targeted walkabouts as part of the Nursing & Midwifery Board.

Recording, Learning and Training

The trust uses the Ulysses system to ensure that risk management is embedded within the organisation and to register all incidents, complaints, claims and contacts with our Patient Advice and Liaison Service. The system creates regular reports for key staff and for the committees responsible for governance and quality. The trust has appropriate policies and procedures in place to support quality governance. Appropriate training is provided both upon induction and at regular, planned intervals depending on assessment of need and in a targeted manner.

All methods of feedback, whether they be incidents, complaints, claims, inquests, formal reviews or informal patient feedback are closely analysed thematically by the trust. This enables the trust to identify lessons that can be learnt, change practice where necessary and to improve controls that are in place. This process is enhanced by benchmarking externally and participating in peer review.

Care Quality Commission

The trust is required to register with the Care Quality Commission and its current registration status is "registered without conditions". The Care Quality Commission has not taken enforcement action against the trust during 2015-16. The trust has not participated in special reviews or investigations by the Care Quality Commission during the reporting period.

The trust was last formally inspected, in February & March 2015. The Care Quality Commission looked at whether our services are:

- Safe
- Effective
- Caring
- Responsive to people's needs
- Well-led.

These key lines of enquiry were investigated using pre-visit information, the onsite inspection and local information about. The CQC provided and an overall rating for the trust from the inspection of 'Good'.

The trust agreed an Action Plan with the CQC to address those areas that they felt could be further enhanced. This Action Plan was subsequently signed off as complete by the CQC. The full methodology used by CQC was adopted by the trust in preparation for the inspection and has continued since to ensure all services run in accordance with both the Key Lines of Enquiry and the Fundamental Standards, which set in law the minimum requirements acceptable by the regulatory bodies.

To ensure that the trust continues to meet its statutory and regulatory obligations, and in response to the findings of an external review by Deloitte, the trust conducted a review of its governance function. To ensure it meets guidance from Monitor and follows best practice, changes made have included the appointment of a Head of Risk, Compliance & Assurance to oversee ongoing compliance work and embed the learning from the CQC inspection process within the organisation's day-to-day workings.

Better payment practice code

The Better Payment Practice Code requires that 95% of undisputed invoices relating to trade creditors are paid within 30 days of receipt. The trust's performance during 2015/16 and 2014/15 is shown below:

Better Payment Practice Code	2015/16	2014/15
Value of invoices paid within 30 days	85%	82%
Number of invoices paid within 30 days	85%	81%

No interest was paid to suppliers under the Late Payments of Commercial Debts (Interest) Act 1998.

Cost Allocation and Charging Guidance issued by HM Treasury

The trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Income disclosure required by Section 43(2) of the NHS Act 2006

During the year Liverpool Women's NHS Foundation trust generated income due to the provision of private patient services in a number of areas but most significantly in that of fertility services. The income received from this source in 2015/16 was £3,682k (2014/15, £3,592k), 4% (2014/15, 4%) of all trust income.

This satisfies the requirements of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) where the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

Any profits arising from the provision of private patient services are reinvested into patient care at the hospital.

Health and Safety

During the year the trust's Health and Safety Manager has developed, reviewed and implemented health and safety policies to meet both internal and external requirements in order to keep the trust's patients, staff and visitors safe. An interactive classroom-based health and safety training session makes sure that trust staff have appropriate health, safety and risk knowledge. Monitoring of health and safety related non-clinical incidents was carried out throughout the year and identifiable trends and RIDDORs investigated and acted upon.

Emergency preparedness, resilience and response (EPRR)

Under the terms of the Civil Contingencies Act 2012 the trust must be resilient in the event of emergency situations/major incidents and have robust plans in place to enable an effective response to a range of potentially disruptive challenges. Responsibility for this requirement rests with the trust's Associate Director of Operations who is the Accountable Emergency Officer for the organisation. The trust's major incident plan and business continuity plans were tested on several occasions during the year, in both live incidents and 'table top' exercises. Staff responses were timely and efficient as a result of the plans being well rehearsed. Lessons learned from each test are captured and shared across the organisation.

Local Security Management Specialist

The overall objective of the trust's Local Security Management Specialist is to deliver an environment that is safe and secure so that the highest standards of clinical care can be made available to patients. This objective was achieved by providing a security management service for the trust, continuing to work towards the creation of a pro-security culture and ensuring security activity in respect of NHS Protect's four areas of priority, namely tackling violence and aggression against staff; protecting paediatric and maternity unit; protection of drugs, prescription forms and hazardous materials, and; protecting trust property and assets.

Countering fraud and corruption

The trust is committed to countering fraud and corruption. It engaged the services of a registered counter fraud specialist and is compliant with the requirements of the counter fraud manual. The trust fully cooperates with NHS Protect and responds to the national proactive reviews. The trust's work in respect of countering fraud and corruption is overseen by the Audit Committee.

There is clear strategic support for anti-fraud and bribery work at the trust. The Local Counter Fraud Service (LCFS) is actively supported by the Deputy Director of Finance and the Audit Committee. A counter fraud work plan is agreed with the Deputy Director of Finance at the start of each year and provided to the Audit Committee for approval. The work plan outlines the core LCFS activities to be undertaken during the financial year and allocates resource against each NHS Protect standard for providers which enable all activities to be delivered.

Counter fraud policies are set out in the trust's Standing Financial Instructions which form a part of our corporate governance manual, reviewed annually. We also have in place a whistle-blowing policy. The trust's accountable officer for fraud is the Director of Finance.

Information management and technology

During 2015/16 the IM&T Department undertook several major digitisation projects. These have included the mobilisation of the community midwifery work force to enable secure and high speed access back to the clinical systems, allowing for care to be delivered in the community. To support greater clinical outcomes, the department has also supported the replacement of the specialist neonatology clinical system (Badgernet) which enables greater clinical decision support and medical device integration within this department.

In order to enhance patient experience, the roll out has been completed of free patient wifi across the Crown Street site, and the department has successfully implemented patient self-service and digital assistant in the Antenatal clinic and Radiology Departments. Patient Experience within the Gynaecology ED has also been enhanced by the introduction of an electronic system within ER to enable better flow of patients who present within the unit post telephone triage, which won trust acclaim at the recent Focussing on Excellence awards.

In order to support research, the department has been successful in the deployment of a cancer referral system for patients with the 100,000 genomes project hosted by the trust.

During the year significant progress was also made with the digitisation of health records, and the use of analytics within information reporting via the new data warehouse. These significant investments have placed the trust at the top of digital maturity within NHS England's 2016 ranking, with IT also being fully re-accredited with BS 9001, ISO 140001, ISO 22301 and ISO 270001.

In 2016/17 we are planning to complete the digitisation of the health records project to all specialities, improve the mobility solutions within the hospital to enable electronic bedside observations and prescribing and bring radiology reports into the ICE System, enabling quicker access to the results and improving audit and governance.

Consultations

No formal consultations in respect of proposed changes to the trust's services were carried out during the year but plans commenced in respect of consulting our patients, staff and stakeholders in respect of the proposed future strategic direction for women's health services.

Additional reporting information

Additional information or statements which fall into other sections within the annual report and accounts are signposted below:

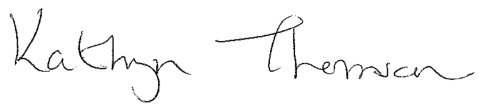
- The trust has not made any political donations during the year
- A statement that accounting policies for pensions and other retirement benefits are set out in note 8 to the accounts and details of senior employees' remuneration can be found in the section 3ii Remuneration Report.
- trust policies on employment and training of disabled persons can be found in the Staff Report section 3ii.
- Details of Sickness absence data can be found in the Staff Report section 3ii.
- Details of the trust's approach to communications with its employees can be found in the Staff Report section 3ii.
- Details of the trust's financial risk management objectives and policies and exposure to price, credit, liquidity and cash flow risk can be found in note 24.5 of the annual accounts.

Related Party Transactions

The trust has a number of significant contractual relationships with other NHS organisations which are essential to business. A list of the organisations with which the trust holds the largest contracts is included in the accounts.

Appointment of External Auditors

The trust appointed PricewaterhouseCoopers LLP as its external auditor.



Kathryn Thomson
Chief Executive
20 May 2016

3i(b) Audit committee report

The audit committee comprises solely of independent non-executive directors. It was chaired by Ian Haythornthwaite (biographical details can be found in section 3i(c) Board of Directors Pen Portraits. The other members of the committee during the year under review were Steve Burnett, Pauleen Lane, and Tony Okotie. Attendance at meetings held during 2015/16 in 3i Directors Report.

The director of finance, deputy director of finance and the external and internal auditors are usually in attendance at meetings of the committee. Executive directors and other managers are required to attend for specific items, as is the local counter fraud specialist. Copies of the terms of reference of the Audit committee can be obtained from the trust secretary.

The work of the committee in 2015/16 has been to review the effectiveness of the organisation and its systems of governance, risk management and internal control through a programme of work involving the challenge and scrutiny of assurances provided by internal audit, external audit, local counter fraud officer and trust managers. The committee follows a work programme that includes the agreed work plans for internal audit and counter fraud.

Principal Review Areas in 2015/16

The narrative below sets out the principal areas of review and significant issues considered by the committee during 2015/16 reflecting the key objectives set out in its terms of reference.

Internal Control and Risk Management

The committee has reviewed relevant disclosure statements for 2015/16 in particular the draft Annual Governance Statement, Internal Audit board Assurance Framework opinion which when combined together with receipt of the Head of Internal Audit Opinion, external audit opinion and other appropriate independent assurances provides assurances on the trusts Internal Control and Risk Management processes.

Internal Audit

Throughout the year, the committee has worked effectively with internal audit to ensure that the design and operation of the trust's internal control processes are sufficiently robust.

The committee reviewed and approved the detailed programme of work for 2015/16 at its March 2015 meeting. This included a range of key risks identified through a review of the Board Assurance Framework and in discussion with discussion with Management and Executive Directors. Reviews were identified across a range of areas, and focused on business critical systems using a risk based approach.

The committee has considered the findings of internal audit and where appropriate has sought management assurance that remedial action had been taken. In instances where 'limited assurance' is assigned to a review, the committee would request the responsible executive/manager attendance at a meeting of the committee to provide assurance that the management actions would be carried out. This strengthens the committee's response to audit findings and ensures that any control weaknesses are understood by the committee and the board through the integrated governance structure and that these weaknesses are addressed in a timely manner.

The committee has given considerable attention to the importance of follow up of reviews in respect of internal audit work in order to gain assurance that appropriate management action had been implemented.

Counter Fraud

The committee reviewed and approved the counter fraud work plan for 2015/16 at its meeting in March 2015. During the course of the year, the committee also regularly reviewed updates on proactive counter fraud work and had received additional assurances from work that had been commissioned at the request of the board that had not formed part of the work plan.

External Audit

The committee routinely received progress reports from the external auditor, including an update annual accounts audit timetable and programme of work, updates on key emerging national issues and developments which may be of interest to committee members alongside a number of challenge questions in respect of these emerging issues which the committee may wish to consider. Committee also reviewed the trust's annual report and accounts 2014/15 including its Directors Report, Remuneration Report, Annual Governance Statement, Quality Report, external audit findings and external audit management letter (ISA260). In addition it also reviewed the trust's compliance with Monitor's Code of Governance which formed part of the requirements for the production of the Annual Report.

At the March 2016 committee meeting, the committee received a report from the external auditor on the external audit plan for the annual report and accounts 2015/16 external audit. This included an analysis of the external auditor's assessment of significant audit risks, the proposed audit strategy, audit and reporting timetable and other matters. The committee discussed and approved the proposed plan recognising that the approach would be responsive to the many changes affecting the trust.

The value of external audit services for the year was £47,750 (2014/15, £46,350).

Draft going concern statement 2015/16

The draft going concern statement was presented to audit committee at the committee meeting on 20 May 2016 where it was discussed and approved for recommendation to the Board of Directors.

Materiality in planning and performing the audit 2015/16

The overall materiality to assist the external auditor in planning of the overall audit strategy and to assess the impact of any adjustments identified had been set at 2% (£2m) of forecast income for the year ended 31 March 2016. All misstatements less than £100k were classed as the de minimis threshold.

Financial Assurance

The committee reviewed the accounting policies and annual financial statements prior to submission to the board and considered these to be accurate. It has ensured that all external audit recommendations have been addressed.

Other Assurance

The committee routinely received reports during 2015/16 on Losses and Special Payments and Single Source Tender Waivers, bad debts, changes to the trust's standing financial instruments and Scheme

of Delegations, Corporate Governance Manual and declarations of interest of the directors and governors.

The committee receives reports from the chair of each of the board Committees on any areas of concern that may need to be addressed by the board.

During the year the committee met privately with the internal and external auditors, without the presence of a trust officer.

There is a policy in place for the provision of non-audit services by the external auditor, in recognition of the need to safeguard auditor objectivity and independence. During 2015/16, the external auditor had been engaged in non-audit activity relating to future generations and fertility. The value of this non audit work was £177,000 (2014/15, £257,000). In situations where the trust contemplates the appointment of outside management consultants, consideration is given to whether the external auditors can be included in the list of firms from which a selection may be made. If inclusion meant that the external auditors' independence was compromised then they would be excluded.

The committee reviews its effectiveness through use of a discussion between members of the committee at the end of each meeting, following which the Chair reports any areas of concern that may need to be addressed on the effectiveness of the committee.

The trust's external auditors, PricewaterhouseCoopers LLP, were appointed by the council of governors in October 2011 following a formal procurement exercise.

Ian Haythornthwaite
Chair
Audit Committee

3i(c) Board of directors - pen portraits

Non-Executive Directors

Robert Clarke – Chair

Robert joined Liverpool Women's in March 2016. He has a wide range of Board experience having spent seven years as a non-executive Director at Lancashire Teaching Hospital NHS Foundation Trust, where he had the role as vice chairman.

Robert is a managing partner of a family dairy farm and is director of a startup business collecting agricultural plastics for recycling; Farm Plastics Recycling Ltd. He has held directorate roles at Zenith Milk Ltd, the Royal Association of British Dairy Farmers and the Dairy Farmers of Britain Ltd in addition to his NHS role.

Ian Haythornthwaite – Non-Executive Director & Vice Chair

Ian joined the trust in May 2011 and is a fellow member of the Chartered Institute of Management Accountants, with extensive public sector management experience.

Ian is currently Director of Finance for the BBC, controlling a budget of £4bn per annum. Previously he was Finance Director for BBC North based at Media City which opened in May 2011. Prior to the BBC, Ian was Deputy Chief Executive at the North West Development Agency which led on the economic regeneration of the North West of England. And prior to this he was the Finance Director and then Pro Vice Chancellor at the University of Central Lancashire. As an Executive Director of the group he was responsible for the regional strategy, business interaction, commercial and intellectual property exploitation and innovation. In addition he was responsible for executive management of the University estate and facilities including all trading and service provisions.

Ian chairs the trust's Audit Committee and is a member of its Finance, Performance and Business Development Committee.

In January 2014 the Council of Governors reappointed Ian for a further term of three years from April 2014.

Over the financial year Ian also undertook the following roles acting Vice Chair from 5 October 2015 – 31 January 2016, acting Chair from 1 February 2016 – 29 February 2016; and Vice Chair from 1 March 2016 to date.

Tony Okotie – Non-Executive Director & Senior Independent Director

Tony joined the Board of Liverpool Women's in July 2015. He has a wide ranging background, having worked in retail banking and then the regional newspaper business before changing direction in 2002 to work in the voluntary sector, undertaking a variety of roles. He is currently the Chief Executive of Liverpool Charity and Voluntary Service. Prior to his appointment at Liverpool Women's, Tony was a Non-Executive Director and Vice-Chair with Derbyshire Community Health Services NHS Trust, one of the first Community Foundation Trusts in the country. Tony has a BSc in Social Policy, an MSc in Voluntary Sector Management and is a qualified coach

Jo Moore - Non-Executive Director

Jo joined Liverpool Women's in April 2016. She is a qualified FCMA and has a breadth of experience within Finance and Change Management. Jo has previously held senior level roles within the financial services sector, including Global CFO (technology & operations) at JPMorgan and COO for a Hedge Fund.

Jo is currently Managing Partner at Optimus 5, which is a consulting firm specialising in transformation, regulation and remediation. She also works with a number of local organisations dedicated to improving the lives of children, these include AYFA sports and the Rotund charity. Jo is a qualified executive coach and a Lean Reengineering Master Black Belt.

David Astley OBE - Non-Executive Director

David joined the Board of Liverpool Women's Hospital in April 2016. He has over 40 years' experience of healthcare management mostly in the NHS and recently as Chief -Tertiary Hospitals Group of the Hamad Medical Corporation in Qatar, His NHS experience included five years as General Manager of Addenbrooke's Hospital, Cambridge in the 1980's. He was also Chief Executive Officer of East Kent Hospitals between 1999 and 2006 and of St George's Hospital, London from 2006 to 2011. After retiring as a health executive David is currently developing his own consultancy practice with a particular focus on helping people manage their careers. He was born in the Walton area of Liverpool and attended Alsop School prior to University.

Ian Knight - Non-Executive Director

Ian joined the Board of Liverpool Women's in April 2016. He had a career as a finance professional from 1974 to 2001, working for nationalised industries, Slough Estates, Nicholas Kiwi, Sara Lee Corporation and finally as Group Treasurer of Yorkshire Water. In 2001 he retired from full time employment and became a non-executive director, starting with QDS, a privately-owned UK company, and then with Mouchel and Morson (both UK PLCs).

Ian was a Member and subsequently a Fellow of the Association of Corporate Treasurers, from 1981 to 2003. He has a BA (Hon) in Business Studies. He has undertaken Non-Executive Director training courses with the Institute of Directors, NED Forum and PWC, and attended the Wharton Business School's Negotiation Program, and both the M & A Programme and the Strategic Management Programme at Ashridge Business School.

Since retiring from Yorkshire Water Ian has spent much time doing voluntary work with his local Methodist Church, and with two local amateur dramatic societies, acting as treasurer and chief fund raiser for all three organisations. He is also a volunteer at Bradford Media Museum, managing the weekly Senior Screenings group, which provides refreshments before the film and a discussion group afterwards.

Phillip Huggon - Non-Executive Director

Phil joined the Board of Liverpool Women's in April 2016. He previously served as a non-executive director of Alder Hey Children's Hospital NHS Foundation Trust for 6 years and has several non-executive and trustee roles in the private and public sector, with a particular focus on marketing and transformation. His board roles include the Agricultural and Horticultural Development Board, a non-departmental public body set up to promote the farming industry, the Business Continuity Institute, Sports Leaders UK, the English Table-Tennis Association and he also chairs RCU, an education consultancy. His background is mostly marketing, strategy and change management from 20 years' experience with Shell, MARS and BP, both in the UK and overseas.

Edna Robinson – Chair (from 1 September 2014 – 5 October 2016)

Edna has a public/social business background and she is also Chair of the Big Life Group of companies, the largest Social business in the North West and Chair of Trafford Housing Trust since 2013.
As Chief Executive of the NHS Soft Intelligence Service she is supporting clinicians to stay connected to best practice. Edna has held several Chief Executive Positions within the NHS, including a Primary Care Trust and Hospital Trust. She is the founder of NHS Networks, a web based network system, currently used by 70,000 people per week.

Edna has been a Special Advisor to the Secretary of State for Communities and Local Government, and also the Chair of the Advisory Board to Richard Branson's Virgin Health Group. Her other roles have included Board member and Advisor to the Home Secretary in the establishment of the National Police Improvement Agency.

Steve Burnett – Non-Executive Director and Senior Independent Director (from 1 March 2012 – 13 November 2015)

Steve is a qualified actuary and spent 35 years in the financial services sector during which time he was Chief Executive of two large Merseyside companies, Swiss Life and Royal Liver. In recent years Steve has actively promoted the values of mutuality and is a keen supporter of member engagement in the setting of strategy and the governance of organisations.

Steve has now successfully diverted his attention to new areas and to the public sector in particular, with Liverpool Women's joining the Wales Audit Office and the Homes and Communities Agency as diverse areas where he now has non-executive roles.

He chaired the Board's Governance and Clinical Assurance Committee and sat on the Trust's Audit Committee and Charitable Funds Committee.

Liz Cross BSc (Hons), MBA, MBPS, Non-Executive Director and Vice Chair (from 1 February 2010 – 31 January 2016)

Liz is an experienced Executive and Non-Executive Director, with over 25 years in leadership and governance roles. Liz founded, and is Managing Director of, The Connectives – a values based consultancy practice – that works with private, public, social enterprises and voluntary/ charitable organisations locally, nationally and internationally.

Liz chaired the Trust's Putting People First Committee and its Charitable Funds Committee. On 1 February 2012 she was appointed as the Board's interim Vice Chair and subsequently appointed to the role substantively. Following the resignation of the Chair in October 2015, Liz took up the role of acting Chair until her term of office expired on 31 January 2016.

George Kissen – Non-Executive Director (from 1 February 2015 – 2 December 2015)

Dr George Kissen was a GP in Trafford for 30 years until 2012, a hospital practitioner in Paediatric Oncology at the Royal Manchester Children's Hospital for 20 years until 2005 and was Medical Director of NHS Trafford from 2009 until 2013. A student at St Andrew's University and Manchester University, George qualified in 1978.

George's clinical interests are broad but include child health and the development of integrated care for patients of all ages. Now retired from clinical practice, he continues as clinical lead for Trafford Clinical Commissioning Group for the commissioning of care for children and young people. He is a Clinical Champion for the Greater Manchester Transformation programme Healthier Together.

Pauleen Lane – Non-Executive Director (from 1 April 2010 – 31 March 2016)

Pauleen is a civil engineer by profession who has held a number of Board level appointments in the North West and nationally as well as teaching on the master courses at Manchester University. Pauleen is currently the Group Manager for National Infrastructure at the Planning Inspectorate.
She has been a member of the Audit Commission with special responsibility for improvement in local Council performance, Chair of Infrastructure for the North West Development Agency, Chair of Environment for the Coal Authority and Deputy Chair of English Partnerships. She was Mayor and Deputy Leader of Trafford Metropolitan Borough Council and was awarded the CBE for services to

local government in 2005. Pauleen has been the specialist engineering advisor to the Theatres Trust and is a Board member of the Sports Ground Safety Authority, set up after Hillsborough to ensure safety for spectators in all sports grounds.

Pauleen chaired the Finance, Performance and Business Development Committee and was a member of the Audit Committee.

Executive Directors

Kathryn Thomson MCIPD – Chief Executive

Kathryn joined the Trust in September 2008 from the University Hospital of South Manchester NHS Foundation Trust (UHSM), where she was an Executive Director for six years. During that time she supported the Trust through a major financial and performance recovery plan and subsequent achievement of Foundation Trust status. UHSM had a substantial service and research portfolio and investments were made in significantly improving both services and research in a number of areas including the Medicines Evaluation Unit and breast cancer, through alignment into the state of the art Genesis Centre and investment in a Cardiac Centre including the North West Heart Transplant Centre. Kathryn's professional background is Human Resources and Organisational Development and she continues to maintain a focus in these areas. For some years she has chaired the Cheshire and Merseyside Local Workforce and education Group and she is a Board member of the North West Coast Academic Health Science Network, Liverpool Health Partners and the North West Health Education Board.

Dianne Brown – Director of Nursing & Midwifery

Dianne joined the Trust in 2007 and has held a variety of leadership and managerial roles prior to her successful appointment as the Trust's Director of Nursing and Midwifery.
Dianne has worked throughout her long career in the NHS in all aspects of women's health and is passionate about providing safe, effective and compassionate care for women, babies and their families at Liverpool Women's.

Vanessa Harris BSc, ACA, MBA – Director of Finance

Vanessa joined the Trust in September 2009 as Director of Finance. She has held a number of senior posts in the health service and the independent sector, including previous Director of Finance posts. Vanessa has experience of leading and managing organisations through periods of change and improving financial performance.

Michelle Turner MCIPD – Director of Workforce and Marketing

Michelle joined the Trust in April 2010. Committed to creating great places to work, Michelle is responsible for ensuring the Trust has a competent, engaged and truly motivated workforce focused on delivering the best possible patient experience. She is also responsible for the Trust's communications and marketing functions.

A member of the Chartered Institute of Personnel and Development, Michelle has a long a varied NHS career, working in patient-facing roles early in her career and undertaking senior human resources roles more recently.

Andrew Loughney - Medical Director

Andrew joined the Trust in April 2016 as Medical Director. Andrew was born and raised in Liverpool. His medical degree was awarded at Newcastle University in 1989 and he has been practising in Obstetrics and Gynaecology in the north east of England since 1990. His first Consultant post was at Newcastle upon Tyne where he was lead clinician for the delivery suite between 2000 and 2008 and practiced in maternal medicine up until 2012. He then moved to Sunderland where he continued as a

Consultant in the specialty but was also appointed Associate Medical Director for Clinical Governance, with a remit to improve safety across all specialties in the trust.

Andrew has a PhD in cellular and molecular biology and has maintained a positive interest in academic and clinical research throughout his career. His focus has been on clinical practice and the promotion of good clinical governance. His contributions in this respect have included chairing the Topic Expert Group for production of Antenatal Care Quality Standards at NICE, sitting on Topic Expert Groups for Caesarean Section and Postnatal Care at NICE and sitting on the Guideline Development Group for production of the latest version of Caesarean Section Clinical Guidelines at NICE.

Joanne Topping MB ChB FRCOG – interim Medical Director (from 14 February 2015 to 17 April 2016)
Jo has been a Consultant Obstetrician at Liverpool Women's since August 2000 and has a long term interest in intrapartum care. She was the lead clinician for the delivery suite between 2007 and 2010. Jo established the Trust's Early Pregnancy Assessment Unit and is published on early pregnancy care. She teaches on regional and national courses on intrapartum care.

Jo has respect for all disciplines that offer care to women and babies, and is committed to good multidisciplinary team working. It is her strong belief that this is the best way to ensure the provision of high quality care which should be tailored to a woman's individual needs.

3i(d) Council of governors & members

Council of Governors

The Council of Governors (council) ensures that the interests of the community served by the Trust are appropriately represented.

The council is made up of the following representative constituencies:

14 Public Governors - elected by the trust's public membership who represents the local community, as follows:

- Central Liverpool – four Public governors
- North Liverpool - two Public governors
- South Liverpool - two Public governors
- Sefton – two Public governors
- Knowsley – two Public governors
- The rest of England and Wales – two public governors

5 Staff Governors - elected by the trust's staff members, who they represent, as follows:

- Doctors – one Staff governor
- Nurses – one Staff governor
- Midwives – one Staff governor
- Scientists, technicians and allied health professionals – one Staff governor
- Administrative, clerical, managers, ancillary and other support staff – one staff governor.

7 Appointed Governors - nominated by partner organisations who work closely with the trust, as follows:

- Liverpool City Council – one Appointed Governor
- Sefton Borough Council – one Appointed Governor
- Knowsley Borough Council– one Appointed Governor
- Liverpool University – one Appointed Governor
- Faith Organisations – one Appointed Governor
- Community & Voluntary Organisations – one Appointed Governor
- Liverpool Hope University/ Liverpool John Moores University/ Edge Hill University/ Merseyside Learning & Skills Council - one Appointed Governor

The names of then Governors and the constituencies they represent are set out below. A biography for each governor is available on the trust website. The term of office of governors begin and end at the annual general meeting of the trust held in October each year. In cases where a governor is elected part way through a year a bi election is called. The terms of office have been rounded to the nearest year.

Council of Governors Meetings

Each year the Council of Governors meets on at least three occasions, in public. Between April 2015 and March 2016 the Council met on seven occasions, four quarterly meetings in public and three additional extraordinary meetings. Details of governor attendance at the meetings are set out in the table below.

Public Governor (Elected)	Term in Office	From	To	Council of Governors meetings attended, April 2015 - March 2016
Central Liverpool				
Rochelle Ralph	2 years	2015	2017	3 of 3
Sarah Carroll	2 years	2015	2017	3 of 3
Terri Anne Green	3 years	2015	2018	1 of 3
Saad Al-Shukri	3 years	2015	2018	3 of 7
Kathleen Kearney	2 years	2013	2015	1 of 1
Dorothy Zack-Williams	4 years	2011	2015	4 of 4
North Liverpool				
Elizabeth Williams	3 years	2015	2018	3 of 3
Adrian O'Hara	2 years	2015	2017	3 of 3
Barbara Kerr	3 years	2012	2015	2 of 4
South Liverpool				
Emily Fallows	1 year	2015	2016	1 of 1
Sheila Gwynne-Adams	3 years	2015	2018	3 of 3
Mohammed Arshad	2 years	2013	2015	6 of 6
Mary McDonald	3 years	2012	2015	4 of 4
Sefton				
Pat Speed	4 years	2014	2018	5 of 7
Carole McBride	3 years	2015	2018	2 of 3
Pauline Burke	2 years	2014	2015	4 of 5
Knowsley				
Sheila Phillips	4 years	2013	2017	4 of 7
Cheryl Barber	3 Years	2015	2018*	1 of 1
Mark Tattersall	3 years	2015	2015*	1 of 1
Rest of England and Wales				
Geoffrey Tattersall	3 years	2013	2016	4 of 7
Helen White	3 years	2014	2017	4 of 7

* Mark Tattersall was removed from office in December 2015. Cheryl Barber was appointed as the governor polling the 2nd highest votes during the October 2015 elections

Staff Governor (Elected)	Term in Office	From	To	Council of Governors meetings attended, April 2015 - March 2016
Doctors				
Dr Adel Soltan	3 years	2013	2016	7 of 7

Nurses				
Sharon Owen	2 years	2015	2017	3 of 3
Midwives				
Gillian Walker	2 year	2014	2016	6 of 7
Scientists, technicians and allied health professionals				
Gail Mannion	3 years	2014	2017	5 of 7
Administrative, clerical, managers, ancillary and other support staff				
John Foley	3 years	2014	2017	6 of 7

Appointed Governor (Elected)	Organisation	Council of Governors meetings attended, April 2015 - March 2016
Cllr Helen Casstles	Liverpool City Council	4 of 7
Cllr Nina Killen	Sefton Borough Council	5 of 7
Cllr Del Arnell	Knowsley Borough Council	4 of 7
Dr Ana Alfirevic	University of Liverpool	6 of 7
Rev. Cynthia Dowdle	Faith Organisations	1 of 3
Mary McDonald	Community & Voluntary Organisations	3 of 3
Prof. Anne Scott	Education Institutions	0 of 3

Governor elections in year

The trust governor elections are carried out by Electoral Reform Services and the returning officer was Ciara Norris. The close of polls for the elections was 7 October 2015 and the reports from the contested elections by constituency are shown below.

Date of Election	Constituencies involved	No of Members in Constituency	No of Seats Contested	Number of Contestants	Election Turnout %
October 2015	Knowsley	1172	1	3	5.3%
October 2015	North Liverpool	1649	2	3	5.2%
October 2015	South Liverpool	1398	1	4	8,4%

Lead governor

The lead governor is Sheila Gwynn Adams who was elected to the post by the Council of Governors and is the point of contact between Monitor (now NHS Improvement) and the council, in circumstances only where it would be inappropriate for Monitor to contact the trust chair.

Role of the Council of Governors

The council has responsibility for representing the interests of the members, partner organisations and members of the public in discharging its statutory duties which include:

- holding the non-executive directors to account individually and collectively for the performance of the board;
- the appointment and, if appropriate, removal the chair;

- the appointment and, if appropriate, remove the other non-executive directors;
- approve the remuneration and allowances, and other terms and conditions of office of the chair and other non-executive directors;
- approve the appointment of the chief executive on recommendation from the board nominations and remuneration committee;
- appoint, re-appoint and, if appropriate, remove the auditor;
- receive the annual report and accounts and any report on these provided by the auditor;
- approve any 'significant transactions' as defined within the trust's constitution;
- approve an application by the trust to enter into a merger, acquisition, separation or dissolution;
- decide whether the trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions; and
- approve amendments to the trust's constitution.

Council of Governors Committees

The council has three committees: Membership Strategy Committee (now renamed the Patent Experience and Engagement Committee); Nomination Committee; and Remuneration Committee. The Patent Experience and Engagement Committee leads preparation of the trust's membership strategy, oversees all membership activities and seeks assurance on the quality of services provided by the trust (see members section below on the work of the committee and council through its engagement with the membership and public). The work of its Nomination and Remuneration Committees are outlined in section 3ii Remuneration Report. Each of the Council's committees reports to the council and makes recommendations for its consideration appropriate to their terms of reference.

Other meetings and involvement

Alongside the formal meetings and committees, a range of briefing sessions and workshops have taken place to both inform the governors of trust initiatives and work programs and gain their views and support, in particular the development of the future generations strategy which sets out the clinical case and financial case for change in relation to the services provided by the trust.

There continues to be a positive and constructive working relationship between the council and the board of directors. Governors effectively fulfill their statutory duties and the council provides both constructive challenge and support to the board. Executive and non-executive directors regularly attend meetings of the council in order to understand governors' views and concerns and all directors receive agenda for the council's meetings. The chief executive has a standing invitation to attend all meetings of the Council.

Governors' attendance at organised and supported events

The governors' continue to support the trust and engage with both the membership and the public across the trust's catchment areas attending events organised by the trust and the governors. Governors have actively sought to engage with patients and contribute to a process of improving services.

Governors are not remunerated but they are entitled to claim expenses in connection with their duties. Governors did not claim any expenses during the year.

A Governors' register of interests is maintained. Members of the public can find the register of interests at www.liverpoolwomens.nhs.uk.

Directors' invited to attend at meetings of the Council of Governors held during 2015/16 is set out below:

		Quarterly Meetings attended April 2015 to March 2016
Non-Executive Directors		
Robert Clarke	Chair*	1 of 1
Ian Haythornthwaite	Non-Executive Director & Vice Chair	1 of 4
Tony Okotie	Non-Executive Director & Senior Independent Director	2 of 3
Edna Robinson	Chair*	1 of 3
Liz Cross	Non-Executive Director	3 of 4
Pauleen Lane	Non-Executive Director	4 of 4
Steve Burnett	Non-Executive Director & Senior Independent Director	1 of 3
George Kissen	Non-Executive Director	3 of 3
Executive Directors		
Kathryn Thomson	Chief Executive	4 of 4
Dianne Brown	Director of Nursing & Midwifery	3 of 4
Vanessa Harris	Director of Finance	3 of 4
Michelle Turner	Director of Workforce and Marketing	3 of 4
Joanne Topping	interim Medical Director	3 of 3
Jeff Johnson	Associate Director of Operations	3 of 4

*the chair is chair of both the Board of Directors and the Council of Governors and attends the Council of Governors as a member with full voting rights

Members

Any member of the public over the age of 12 years who lives in England and Wales are able to be a member of the trust. Most members come from the areas where the trust provides clinical services: the local authority areas of Central Liverpool, North Liverpool, South Liverpool, Knowsley and Sefton. Circa 1,400 of members come from outside these areas, the constituency known as Rest of England and Wales.

Membership of the trust is made available to all trust staff automatically where they have a permanent contract of employment or have worked for the trust for at least 12 months.

As at 31 March 2016 the trust had 11,220 members:

Public	Number
Central Liverpool	2,861
North Liverpool	1,650
South Liverpool	1,388
Knowsley	1,167
Sefton	1,280

Rest of England and Wales	1,400
Total public membership	9,746
Staff	Number
Doctors	84
Nurses	386
Midwives	341
Scientists, technicians and allied healthcare professionals	369
Administrative, clerical, managers, ancillary and other support staff	344
Total staff membership	1524

Led by its Membership Strategy Committee (now the Patent Experience and and Engagement Committee), the trust's council developed and approved a three year membership strategy in July 2014. The Strategy provides a 'roadmap' for the trust's membership work over three years. At its heart is the desire to make membership relevant, interesting and rewarding. Its key focus is on putting in place robust arrangements for ensuring that our members have a loud and clear voice within the organisation, that they have an avenue to contribute to the development of the organisation and that the trust's services take full account of members' views, ideas and concerns.

A key component of our membership work seeks to improve the understanding of and involvement in patient experience, patient and public involvement, corporate social responsibility, equality, diversity and human rights and marketing and communication. Its focus is on improving what the trust knows about its members including what their interests are and how they would like to be involved with the trust. In this way we aim to improve the level and range of member engagement.

Throughout the year governors made a significant effort to engage with as many people across the city as possible to ask what it is about Liverpool Women's that they value the most as part of our Future Generations Campaign. This involved communicating with over 10,000 people in total at events, online and via social media. A short questionnaire was handed out to everyone we talked to, to find out what their experiences of Liverpool Women's had been, and which aspects of our services they would most like preserved in any future developments. A total of 782 completed surveys were returned and handed over to Liverpool John Moore's University for independent analysis.

We continued to publish members' newsletters Future Generations, which was sent to all members in the year.

Members can contact Governors and Directors at the trust by:

- Post – Trust Offices, Liverpool Women's NHS Foundation Trust, Crown Street, Liverpool L8 7SS;
- Telephone – 0151 702 4018;
- Email – communications@lwh.nhs.uk or to contact Governors, governor@lwh.nhs.uk.

3ii Remuneration report

Chair's annual statement on remuneration

This report includes details of the activity of the Board of Directors Nominations and Remuneration Committee and the Council of Governors Nominations Committee and Remunerations Committee.

For the purposes of the remuneration report the term senior managers relates to those persons in senior positions having authority or responsibility for directing or controlling the major activities of the trust and covers the chair, the executive and non-executive directors of the trust and the Associate Director of Operations who attends meetings of the Board in a non-voting role (collectively the directors).

The board of directors delegates the responsibility to a board nominations and remuneration committee (committee) to make decisions regarding the nomination, appointment, remuneration and conditions of service for executive directors including the Chief Executive. This committee also has general oversight of the trust's pay policies, but only determines the reward package for directors and staff not covered by agenda for change.

The committee made a number of decisions during the year relating the executive directors including: the appointment of the trust's substantive post of medical director; and the review of performance of executive directors and their remuneration. There were no substantial changes made to the executive directors' remuneration during the year.

An open and competitive process was held for the appointment of the trust's Medical Director with support from executive search agents Harvey Nash. Following short-listing and interview the Committee agreed to appoint Dr Andrew Loughney to the role of Medical Director, with effect from 18 April 2016.

Senior Managers' Remuneration Policy

The trust does not apply performance related pay conditions linked to executive directors' or non-executive directors' remuneration and no formal policy exists in setting the remuneration of either executive directors or non-executive directors. The trust is required to report what constitutes the senior managers' remuneration in tabular format set out below:

Components of Remuneration Package of Executive and Non-Executive Directors	Basic pay in accordance with their contract of employment (executive) and letters of appointment (non-executive)
Components of Remuneration that is relevance to the short and long term Strategic Objectives of the trust	The directors do not receive any remuneration tailored towards the achievement of Strategic Objectives.
Explanation of how the Components of Remuneration operate	Basic pay of the executive directors is determined by the Board nominations and remuneration committee, taking into account past performance, future objectives, market conditions and comparable remuneration information from trusts within the locality. Basic pay of the non-executive directors is

	determined by the Governor nominations and remuneration committee.
Maximum amount that could be paid in respect of the component	Maximum payable is the director's annual salaries as determined by the relevant nominations and remuneration committees.
Explanation of any provisions for recovery	If an individual is overpaid in error, there is a contracted right to recover overpayment.

The trust's executive directors are not employed under fixed term contractual arrangements and are required to give and receive six months' notice under the terms of their contract of employment. Compensation payments payable to executive directors are in accordance with their contract, which entitles them to six months' pay on termination. Both the employee and employer contribute to the NHS pension scheme and note 1.3 of the annual accounts provides an explanation of how pension liabilities are treated in the accounts.

The chair and non-executive directors are appointed by the council of governors for fixed terms of office, usually for an initial term of office of three years, following which they may be appointed for an additional term of three years. The chair and non-executive directors have a notice period of three months. The term of office of the current chair and non-executive directors are listed below:

	Commencement date	Term of Office expiry date
Robert Clarke	1 March 2016	28 February 2019
Ian Haythornthwaite	01 May 2011	30 April 2017
Tony Okotie	1 July 2015	30 June 2018
Phil Huggon	4 April 2016	31 May 2019
Jo Moore	4 April 2016	31 May 2019
Ian Knight	4 April 2016	31 May 2019
David Astley	4 April 2016	31 May 2019

Ministerial and Parliamentary Remuneration Threshold

The trust is required to report on those executive directors whose pay exceeded the Prime Minister's ministerial and parliamentary salary. In 2015/16 and 2014/15 financial years two executive directors were paid more than the £142,500 threshold. The trust has satisfied itself that this level of remuneration is reasonable by comparison to remuneration in previous years and benchmarking against executive pay in other Foundation Trusts and the wider NHS. Details of the payments can be found in the tables below.

Annual report on remuneration

The Nominations and Remuneration Committee of the Board of Directors determines the remuneration, terms and conditions of the trust's chief executive and executive directors. It does so based on job evaluation, market intelligence and inflation alongside any guidance from national recommendations for NHS senior managers. The Committee also considers executives' annual appraisals and achievement of the trust's corporate objectives for the year. In determining executive

directors remuneration the Committee has regard to the remuneration of other trust employees who hold contracts under terms and conditions agreed nationally and locally.

Each executive director has objectives set at the beginning of the financial year which are drawn from the trust's agreed corporate objectives. Performance against these objectives is reviewed annually by the chief executive and details shared with the board's Nomination and Remuneration Committee. The chair appraises the chief executive who in turn appraises executive directors and the trust secretary.

During the year, membership of the board's nomination and remuneration Committee comprised the trust's Chair and three Non-Executive Directors. The trust secretary was secretary to the committee. At the committee's invitation and in accordance with its terms of reference, the chief executive (for the remuneration part of the meeting) and director of workforce and marketing attended the meeting. The committee met twice during the year as follows:

	1 May 2015	15 May 2015
Edna Robinson, Chair	✓	✓
Steve Burnett, Non-Executive Director	✓	✓
Liz Cross, Non-Executive Director	✓	-
Dr George Kissen, Non-Executive Director	✓	
Ian Haythornthwaite, Non-Executive Director	-	✓
Dr Pauleen Lane, Non-Executive Director	-	✓
Kathryn Thomson, Chief Executive	✓	✓

Council of Governors Remuneration Committee

The Remuneration Committee of the trust's Council of Governors determines the remuneration and terms and conditions of the chair and non-executive directors of the board. It does so by using benchmarking data provided by the Foundation Trust Network which is drawn from information provided by all NHS Foundation Trusts. The results of non-executive directors' appraisals are also taken into account by the council.

Objectives for the chair and non-executive directors are set at the beginning of each financial year. Performance against those objectives is reviewed annually and shared with the council of governors' Remuneration Committee. The chair assesses non-executive directors' performance and undertakes their annual appraisal. The senior independent director (SID) undertakes the chair's appraisal, with input from members of the board and the council of governors. The SID's appraisal is conducted by the vice chair. This arrangement ensures that there is proper segregation between the person being appraised and the person undertaking the appraisal.

Membership of the Council's Remuneration Committee comprises of the trust chair, elected and appointed governors. The Committee met once during the year and reviewed the performance of the non-executive directors. Present at the meeting Dorothy Zack-Williams, Public and Lead Governor, Dr Ana Alfirevic, Appointed Governor and Helen White, Public Governor. The trust secretary acted as Secretary to the Committee.

Council of Governors Nomination Committee

The Nominations Committee of the Council of Governors oversees the appointment of the non-executive chair and non-executive directors to the Board. The committee is chaired by the trust's

chair however during 2015/16 it was also chaired by the trust's vice chair, Liz Cross up to 31 January 2016 and then Ian Haythornthwaite up to 29 February 2016 when its focus was the appointment of a new chair and non-executive directors following the resignation of the chair, Edna Robinson. The committee's other members during the year were: public – Mary McDonald, Dorothy Zack-Williams (Lead Governor to October 2015), Sheila Gwynn-Adams (Lead Governor from December 2015); Staff – Gail Mannion, Gill Walker; and appointed - Cllr Helen Casstles.

During the year the Committee met on thirteen occasions. At each meeting it considered succession planning for the Board, including the appointment of a new Chair following the resignation of the Chair; Edna Robinson and the appointment of four new Non-executive directors, to succeed outgoing Non-executive directors during the year (see section 3i(a) Directors Report, which sets out the term of office changes for the board of directors). Appropriate competitive processes were undertaken including the use of executive search agents Harvey Nash to support the recruitment to the Board positions. All appointments were subject to open advertisement via the national and regional press and online recruitment sites. In considering these new appointments the Committee gave particular consideration to diversity and the fit and proper person test for Board members.

The appointment of a new chair for the trust was approved by the council of governors in January 2016. Robert Clarke joined the trust as its chair on 1 March 2016, for an initial three year term. Four non-executive directors: Phil Huggon, Ian Knight, David Astley and Jo Moore were all appointed by the Council of Governors from 4 April 2016 for a term of three years each.

Senior Managers Remuneration and Pension

The audited remuneration and pension benefits of senior managers are disclosed in this report and can be found below. Accounting policies for pensions are set out in note 1.3. There are no entries in respect of pensions for Non-Executive Directors as they do not receive pensionable remuneration. Additionally there were no contributions to Stakeholder Pensions on behalf of any of the Directors of the trust.

In 2015/16 the All Pension Related Benefits for Michelle Turner (Director of Workforce and Marketing) were disclosed as a negative value. The Annual Reporting Manual for Foundation Trusts 2015/16 has stipulated that negative values in the table 'Salary Entitlements for Senior Managers' be disclosed as a £nil value. Therefore to be compliant with Manual the trust has disclosed the negative "All Pension Related Benefits" as £nil and adjusted the total accordingly.

Salary Entitlements of Senior Managers 2015/16								
		Salary and Fees	All Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension-Related Benefits	Total	Expenses
Name	Position Held	(in bands of £5,000)	(total to the nearest £100)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £2,500)	(in bands of £5,000)	(in bands of £100)
Kathryn Thomson	Chief Executive	145 -150	-	-	-	5 - 7.5	**145 -150**	1 - 2
Joanne Topping [(1)]	Interim Medical Director	135 - 140	-	10 - 15	-	185 - 187.5	**150 - 155**	4 - 5
Vanessa Harris	Director of Finance	115 - 120	-	-	-	2.5 - 5	**115 -120**	1 - 2
Dianne Brown	Director of Nursing & Midwifery *In post from 1 June 2014*	100 - 105	-	-	-	100 - 102.5	**100 - 105**	4 - 5
Michelle Turner	Director of Workforce & Marketing	105 - 110	-	-	-	-	**105 - 110**	1 - 2
Jeffrey Johnston	Associate Director of Operations *In post from 1 June 2014*	95 - 100	-	-	-	157.5 - 160	**95 - 100**	-
Edna Robinson	Chair *In post to 5th October 2015*	20 - 25	-	-	-	-	**20 - 25**	2 - 3
Liz Cross	Acting Chair *In post from 6th October 2015 to 31st January 2016*	10 - 15	-	-	-	-	**10 - 15**	-
Liz Cross	Non-Executive Director *In post to 5th October 2015*	5 - 10	-	-	-	-	**5 - 10**	-
Ian Haythornthwaite	Acting Chair *In post from 1st February 2016 to 29th February 2016*	0 - 5	-	-	-	-	**0 - 5**	-
Ian Haythornthwaite	Non-Executive Director (*In post from 1st April 2015 to 31st January 2016) & (1st March 2016 to 31st March 2016)*	10 - 15	-	-	-	-	**10 - 15**	17 - 18
Robert Clarke	Chair *In post from 1st March 2016*	0 - 5	-	-	-	-	**0 - 5**	-

Pauleen Lane	Non-Executive Director Left 31 March 2016	10 - 15	-	-	-	-	**10 - 15**	13 - 14
Steve Burnett	Non-Executive Director Left 13 November 2015	5 - 10	-	-	-	-	**5 - 10**	22 - 23
George Kissen	Non-Executive Director Left 2 December 2015	5 - 10	-	-	-	-	**5 - 10**	-
Tony Okotie	Non-Executive Director In post from 1 July 2015	5 - 10	-	-	-	-	**5 - 10**	-

Note (1) included within the salary and fees of Joanne Topping the interim Medical Director is £61,938 (0.45 WTE) in relation to her work in a clinical role.

Band of Highest Paid Director's Remuneration (in band of £5,000)	**150 - 155**
Median Total Remuneration (£)	**£30,074**
Ratio	**5.07**

All Directors were in post for the full financial year unless stated above.

Salary Entitlements of Senior Managers 2014/15								
		Salary and Fees	All Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension-Related Benefits	Total	Expenses
Name	**Position Held**	**(in bands of £5,000)**	**(total to the nearest £100)**	**(in bands of £5,000)**	**(in bands of £5,000)**	**(in bands of £2,500)**	**(in bands of £5,000)**	**(in bands of £100)**
Kathryn Thomson	Chief Executive	145 - 150	-	-	-	-	**145 - 150**	1 - 2
Jonathan Herod	Medical Director In post to 13 February 2015	140 - 145	-	30 - 35	-	-	**170 - 175**	12 - 13
Joanne Topping	Interim Medical Director In post from 13 February 2015 (joined Pension Scheme on 1 March 2015)	15 - 20	-	0 - 5	-	-	**15 - 20**	4 - 5
Vanessa Harris	Director of Finance	115 - 120	-	-	-	-	**115 - 120**	-
Gail Naylor	Director of Nursing, Midwifery & Operations In post to 4 May 2014	10 - 15	-	-	-	70 - 72.5	**80 - 85**	-

Dianne Brown	Director of Nursing & Midwifery In post from 1 June 2014	75 - 80	-	-	-	32.5 - 35	**110 - 115**	-
Jeffrey Johnston	Associate Director of Operations In post from 1 June 2014	75 - 80	-	-	-	-	**75 - 80**	0 - 1
Michelle Turner	Director of Workforce & Marketing	105 - 110	-	-	-	-	**105 - 110**	1 - 2
Ken Morris	Chair In post to 14 August 2014	10 - 15	-	-	-	N/a	**10 - 15**	-
Edna Robinson	Chair In post from 1 September 2014	20 - 25	-	-	-	N/a	**20 - 25**	1 - 2
Pauleen Lane	Non-Executive Director	10 - 15	-	-	-	N/a	**10 - 15**	-
Liz Cross	Non-Executive Director	10 - 15	-	-	-	N/a	**10 - 15**	-
Ian Haythornthwaite	Non-Executive Director	10 - 15	-	-	-	N/a	**10 - 15**	7 - 8
Allan Bickerstaffe	Non-Executive Director in post to 31 January 2015	10 - 15	-	-	-	N/a	**10 - 15**	3 - 4
Steve Burnett	Non-Executive Director	10 - 15	-	-	-	N/a	**10 - 15**	9 - 10
George Kissen	Non-Executive Director in post from 1 February 2015	0 - 5	-	-	-	N/a	**0 - 5**	-

Band of Highest Paid Director's Remuneration (in band of £5,000)	**170 - 175**
Median Total Remuneration (£)	**£28,071**
Ratio	**6.1**

All Directors were in post for the full financial year unless stated above.

Pension Benefits

There are no entries in respect of pensions for Non-Executive Directors as they do not receive pensionable remuneration. Additionally there were no contributions to Stakeholder Pensions on behalf of any of the Directors of the trust.

Name	Position Held	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at age 60 at 31 March 2016 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2016 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2015	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2016
		£000	£000	£000	£000	£000	£000	£000
Kathryn Thomson	Chief Executive	0 - 2.5	2.5 - 5	55 - 60	175 - 180	1,062	33	1,108
Joanne Topping	Interim Medical Director	7.5 - 10	25 - 27.5	45 - 50	135 -140	728	190	927
Dianne Brown	Director of Nursing & Midwifery	5 - 7.5	15 - 17.5	20 - 25	60 - 65	254	82	339
Vanessa Harris	Director of Finance	0 - 2.5	2.5 - 5	30 - 35	90 - 95	528	20	554
Jeffrey Johnston	Associate Director of Operations	5 - 7.5	20 - 22.5	40 - 45	120 - 125	582	139	729
Michelle Turner	Director of Workforce & Marketing	(0 - 2.5)	(0 - 2.5)	40 - 45	120 - 125	713	6	728

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV reflects the increase in CETV effectively funded by the employer and uses movements in the Consumer Prices Index for the start and end of the period. The rate of inflation for 2015/16 is 1.2%.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

Fair pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Liverpool Women's NHS Foundation Trust in the financial year 2015-16 was £152,500 (2014-15, £172,500). This was 5.0 times (2014-15, 6.1) the median remuneration of the workforce, which was £30,074 (2014-15, £28,071). In 2015-16, 17 (2014-15, 5) employees received remuneration in excess of the highest-paid director.

The main reason for the movement from the prior year is that the highest paid Director for 2015/16 received a lower amount of Clinical Excellence Awards than in comparison with the prior year. The median total remuneration has also increased in 2015/16 compared to 2014/15 as a result of increment rises.

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

Payments for loss of office

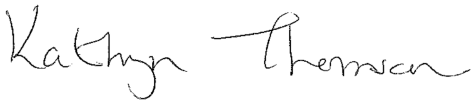
No individual who was a senior manager received a payment for loss of office during the financial year.

Payments to past managers

No individual had received any payments of money or other assets who had not been a senior manager during the financial year but had previously been a senior manager at the trust.

Governors' expenses

No expenses were claimed by Governors in the year 2015/16, (2014/15, £nil).



Kathryn Thomson
Chief Executive
20 May 2016

3iii Staff report

Analysis of Average Staff Numbers

Our people are the most valuable asset we have to deliver services that are safe, effective and efficient and achieve the best possible experience for patients and their families. The table below details the average number of staff engaged with the trust for the period 2015/16, as per the categories listed in the FTC template; for clarity, there are no staff engaged overseas. As at 31st March 2016, there were 5 staff on inward secondments and an additional 3 staff are on inward secondments for 1 day per week of their substantive contracts.

Note 4.2 Average number of employees (WTE basis)	2015/16	2015/16	2015/16
	Total Number	Permanent Number	Other Number
Medical and dental	61	58	3
Ambulance staff	0	-	-
Administration and estates	285	285	-
Healthcare assistants and other support staff	168	168	-
Nursing, midwifery and health visiting staff	621	621	-
Nursing, midwifery and health visiting learners	0	-	-
Scientific, therapeutic and technical staff	132	132	-
Healthcare science staff	0	-	-
Social care staff	0	-	-
Agency and contract staff	58	-	58
Bank staff	43	-	43
Other	0	-	
Total average numbers	**1,368**	**1,264**	**104**
Of which			
Number of employees (WTE) engaged on capital projects	12	9	3

Breakdown of year end numbers of male/female staff

The trust workforce profile as at 31st March 2016 shows that 89.93% of staff employed at the trust is female and the remainder 10.07% is male. This gender split is broken down as below:

Group	Male	Female	Total
Directors*	4	5	9
Senior Managers	16	50	66
Staff	132	1302	1434

*as at 31/3/16 the trust was actively recruiting to a number of NED vacancies (see 3i Directors Report for details).

Sickness Absence Data

The sickness absence rate of staff within the organisation over the last 3 years is detailed below:

Financial Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Cum Year End
13 - 14	4.90%	4.05%	4.31%	4.05%	4.72%	5.14%	5.09%	4.34%	4.79%	5.41%	3.75%	4.50%	4.48%
14 – 15	3.73%	3.27%	4.63%	4.90%	4.49%	5.50%	5.97%	6.04%	6.64%	5.96%	3.88%	4.16%	4.99%
15 - 16	3.98%	3.75%	4.16%	4.08%	3.29%	3.09%	3.45%	4.44%	4.74%	4.08%	4.24%	4.86%	4.28%

This shows that in 2015/16 the cumulative year end figure has decreased from 2014/15 to 4.28%, the lowest in the last 3 years. In 2015/16 the trust reached it's lowest ever "in month" performance in September 2015 at 3.09%, well below the trust target of 3.50%. Work is now continuing to support managers to manage their staff absence effectively. There is an on-going programme of training for managers and one to one coaching is also provided by the HR team.

The NHS Staff Survey results for 2015 have identified that 31% of staff had suffered work related stress over the last 12 months, compared to 37% in 2014. This, coupled with stress no longer being in the top 3 reasons for absence in latter months, would suggest that the interventions and support the trust is offering is having a positive impact on staff wellbeing. The on-going programmes of stress resilience and support, which form part of our Health and Wellbeing strategy will continue in 2016.

Staff Policies & Actions Applied During the Financial Year

During the last financial year there have been 30 ratified new or revised policies. This has included updates to the Whistleblowing policy in line with national recommendations and guidance and a new Performance & Pay Progression policy. There is currently a HR Policy Audit Schedule in place to ensure full audits of all policy KPI's are measured and met within an annual cycle. Since October 2016, 16 audits have been completed and reported to HR Seniors Group. The review of the Whistleblowing Policy has also included the trust appointment of the Freedom to Speak-up Guardian role and work has now commenced on establishing this role in the organisation. Work has also commenced on the appointment of the Guardian of Safe Working, which supports the introduction of the new junior doctor national terms and conditions of service.

The trust has an over-arching Equality, Diversity and Human Rights policy that support staff during their recruitment and employment with the trust.

In relation to supporting applicants with disabilities the trust is developing a Reasonable Adjustments policy. Currently, the trust continues to be a 'Two Ticks Symbol' employer which is a quality symbol providing assurance to individuals with a disability that we welcome applications from all individuals including those with a disability. We continue to work with Job Centre Plus around flexibility in our recruitment and selection processes to make reasonable adjustments to our internal processes to make them more accessible to disabled applicants, particularly those who may have a learning disability.

To support staff with disabilities in continuing their employment with the trust, the Attendance Management policy and the Flexible Working policy provide for adjustments to be made to enable

employees becoming disabled to remain in employment. To support the Attendance Management policy a more structured approach has been developed to carrying out work risk assessments for staff returning to work following a period of sickness absence. Both generic and stress based risk assessments are carried out to ensure that staff are supported to safely return to work. Temporary and permanent adjustments and modifications to duties are regularly employed to ensure that staff with a disability are supported to fulfil their potential in the workplace.

The Recruitment & Selection policy supports all staff, including disabled employees in relation to promotion opportunities. In relation to career development and training the PDR policy and Study Leave policy also ensure that staff with a disability are not discriminated against.

There are a number of trust policies in place that provide employees with information on matters of concern. These include; Grievance Policy, Whistleblowing Policy, Dignity at Work Policy, Duty of Candour Policy and Disciplinary Policy. There is a training programme available to line managers, which covers the application of these policies and there is regular communication sent to all staff on policy updates. There is also flow-charts available in all departments in relation to how to raise a concern. There was also training provided for Board and senior managers on Duty of Candour and Whistleblowing by a legal team.

There have also been informal meetings held with junior doctors, the CEO, Medical Director & Director of Workforce & Marketing to support them around the concerns of the new nationally imposed terms and conditions of service.

The trust continues to engage more formally with its staff and its recognised staff side organisations through the Partnership Forum and the Joint Local Negotiating Committee (JLNC). The trust is proud of its excellent working relationships with its staff side organisations and this was recently recognised at the trust's Dedicated to Excellence Awards, where the joint submission on partnership working won the Governors Foundation Award.

In addition, in 2015/16 the trust continued its clinical engagement in relation to its Future Generations (FG) project. There were a series of workshops held with all key stakeholder groups, which helped to formulate the strategy on strategic direction for the trust moving forward.

The trust has also engaged with staff on a number of organisational change processes. This has included reviews of; Patient Services, Governance, Health Records. These have been conducted in line with the trust's Organisational Change Policy and in full consultation with our staff side partners.

In encouraging employees to be involved in and take responsibility for the trust's performance, monthly workforce KPI reports are produced (sickness, turnover, mandatory training and performance development reviews) and circulated to all managers, senior managers, the Putting People First Board assurance committee and the Partnership Forum. Department KPI reports are placed on the staff notice boards and there is regular communication on these performance areas during "In The Loop", the trust's monthly communication meetings presented by the directors to managers and staff for further dissemination. Heads of Service are also held to account for delivery of these KPI's, as well as for agency / temporary staffing spend and workforce cost improvement plans through the Senior Management Team (SMT). Each service within the trust is also asked to present a workforce assurance paper to the PPF Committee on an annual basis and again managers are held to

account for performance and potential areas of concern are discussed and action plans requested to provide assurance to the Committee.

The introduction of the Performance & Pay Progression policy has also in part been attributable for the increased performance the trust has seen in mandatory training and PDR compliance.

During the year the trust's Health and Safety Manager has developed, reviewed and implemented health and safety policies to meet both internal and external requirements in order to keep our patients, staff and visitors safe. An interactive classroom-based health and safety training session makes sure that trust staff have appropriate health, safety and risk knowledge. Monitoring of health and safety related non-clinical incidents was carried out throughout the year and identifiable trends and RIDDORs investigated and acted upon.

A number of trust Occupational Health policies have been reviewed and updated where appropriate in line with DH guidance during this financial year. The flu campaign was successfully completed with 75.2% of staff being vaccinated, which exceed that national target. Work is continuing to embed the Health and Wellbeing Strategy and a Health & Wellbeing Group has been established to encourage staff engagement in and ownership of their own wellbeing.

In relation to fraud prevention, there are a number of staff policies which support this; Disciplinary, Job Planning for Consultant Medical Staff, Job Planning for SAS Doctors, Recruitment & Selection policy. In 2015 there was an audit undertaken of the Job Planning Policy for Consultant Medical Staff by the trust auditors Baker Tilly. This audit in particular focused on anti-fraud, corruption and bribery issues, conflicts of interest and private practice. There were a number of recommendations made in relation to these key areas and these have since been incorporated into the policy and the policy has been ratified by the JLNC and PPF Committee. The Job Planning Policy for SAS Doctors was also updated in relation to these recommendations. The HR team also provides training to managers on HR policies and practices and there are elements of this which address anti-fraud and corruption practices. The Whistleblowing Policy also references mechanisms whereby staff can raise concerns around fraud issues both internally and externally. The trust's counter-fraud team also contribute to the trust Induction programme to ensure all new starters are aware of their responsibilities and how to raise such concerns.

Staff Survey Results 2015

The trust is committed to listening to the views of our staff and recognise their achievements on a regular basis. We believe that motivated and engaged staff deliver better outcomes for our patients and our on-going aspiration is to improve levels of staff engagement on a year on year basis, as measured by the NHS Staff Survey.

The NHS staff survey is a core tool for the trust to engage consistently with our staff each year to identify what is important to them and then take action to address identified issues. In 2015, we continued to opt for a full survey to ensure that every member of staff has the chance to give their views on an annual basis and we were pleased to receive the highest response return rate of 64% within its grouping of Acute Specialist Trusts, were the average was a 45% return rate.

Overall, the Staff Engagement Score, which is made up of three key findings: staff motivation, ability to suggest improvements and recommending the trust as a place to have care or treatment, the trust

score in 2015 was 3.86, compared to 3.73 in 2014. Whilst this is slightly below the national score for Acute Specialist trusts of 4.01, it is higher than that for acute trusts of 3.80. This is detailed in the table below;

Key Finding 1. Staff recommendation of the organisation as a place to work or receive treatment	3.87
Key Finding 4. Staff motivation at work	3.98
Key Finding 7. Percentage of staff able to contribute towards improvements at work	69%
Overall Staff Engagement Score	3.86

Of the 32 key findings, in the 2015 survey the trust has improved in 6 of these. Of note, none of the 32 key findings has worsened. The trust is above average in 9 of these and is below average in 12 of these.

Overall as a trust we are pleased that the 2015 Staff Survey showed an increase in positive responses for the majority of questions, and that the number of staff who would recommend the organisation as a place to work or have treatment has improved year on year. Our results are on a par with other acute trusts but compare less well with specialist trusts. We recognise that there is more work to do to fully engage our workforce in a shared vision for Liverpool Women's.

This year we chose to include three new questions to enable us to measure how well our values are embedded:

- Only 5% of staff said that they were not aware of the values and behaviours of the trust.
- 57% of staff said that managers demonstrate the values at work "always or often", with 35% saying managers only demonstrate these values "sometimes".
- 66% of staff said that other colleagues demonstrate the values at work "always or often", with 31% saying colleagues only demonstrate these values "sometimes"

The table below shows response rates, and the trust's top four and bottom four ranking scores, with a comparison to the previous year's figures.

	2015		2014		Trust improvement or deterioration
	Trust	National Average	Trust	National Average	
Response Rate	64%	45%	54%	49%	+10%
Top four ranking scores:					
Percentage of staff working extra hours (the lower the score the better)	65%	75%	69%	72%	-4%
Percentage of staff appraised in the last 12 months (the higher the score the better)	95%	85%	89%	84%	+6%

Percentage of staff reporting errors, near misses or incidents witnesses in the last month (the higher the score the better)	95%	92%	91%	92%	+4%
Percentage of staff experiencing discrimination at work in the last 12 months (the lower the score the better)	7%	8%	9%	9%	-2%
Bottom four ranking scores:					
Percentage of staff/colleagues reporting most recent experience of violence (the higher the score the belter)	41%	56%	n.a.	n.a.	n.a.
Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell (the lower the score the better)	63%	59%	25%	23%	+38%
Staff recommendation of the organisation as a place to work or receive treatment (the higher the score the better)	3.83	4.17	3.69	4.14	+0.14
Quality of non-mandatory training, learning or development (the higher the score the better)	3.96	4.05	n.a.	n.a.	n.a.

We recognise that the Staff Survey is one opportunity of many to hear the views of our staff. We have been running a PULSE survey since April 2013 which provides all staff with the opportunity to answer 10 questions every month. These questions were refreshed in 2015 but still mirror the themes of the staff survey and include the question of whether they would recommend Liverpool Women's as a place to work or have treatment. Themes coming from the survey are discussed by managers with their staff on a regular basis via team meetings and communications briefings and "you said, we did" updates are provided to staff.

It is recognised that the response rates are relatively low but work is continuing to encourage greater engagement in this process. This is currently being considered by the newly appointed Head of Communications & Marketing and will be included the new Staff Engagement Strategy that is currently being written. As such, it is hoped that response rates will increase during 2016.

The results from the staff survey and PULSE are being used to inform specific work streams:

- Continue to invest in our **Leadership Development** – identify talent, embed value based reward & recognition
- Focus on our **RESPECT** value to address the issue of staff experiencing inappropriate behaviour from colleagues, managers, patients and visitors
- Focus on our **ENGAGE** value to ensure staff feedback is acted upon and communication improves
- Continue to work with managers to ensure they understand their **accountability** for the **climate** they create within their team
- Undertake deep dives with professional cohorts and divisional teams to understand **what's getting in the way** of their recommending LW as a place to work or receive care

Expenditure of Consultancy

Consultancy costs for the financial year 2014/2015 were £792K.

Off-Payroll Arrangements

The use of off-payroll arrangements is covered by the trust's Temporary Staffing Policy which details the controls that the trust has in place. These controls include that all bookings must be made via the temporary staffing team, based in the HR Department, and agency requests can only be taken forward using the trust's list of approved suppliers.

Additional checks are in place in respect of contracts with highly paid staff which meet the threshold used by HM Treasury. The trust ensures that there are contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations. Assurance is also requested to ensure compliance for a sample of off-payroll arrangements as stipulated in the guidance.

Below are details of off-payroll engagements made by the trust during the year. The disclosures relate to public sector appointees not on the trust's payroll.

Off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months:

No. of existing engagements as of 31 March 2016	11
Of which…	
No. that have existed for less than one year at time of reporting.	4
No. that have existed for between one and two years at time of reporting.	1
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	6
No. that have existed for four or more years at time of reporting.	0

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months:

No. of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	9
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	9
No. for whom assurance has been requested	3
Of which...	
No. for whom assurance has been received	0
No. for whom assurance has not been received	3
No. that have been terminated as a result of assurance not being received.	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

Exit Packages

There was only 1 compulsory redundancy and no other exit packages agreed within the trust in the period 1st April 2015 to 31st March 2016.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0
£10,00 – £25,000	0	0	0
£25,001 – £50,000	0	0	0
£50,001 – £100,000	0	0	0
£100,000 – £150,000	1	0	0
£150,001 – £200,000	0	0	0
Total number of exit packages by type	1	0	0
Total resource	**£103K**	0	0

3iv Disclosures set out in the NHS Foundation Trust Code of Governance

Meeting the code of governance

The board continues to seek to comply with the new code and has reviewed compliance against the provisions of the code.

Further details of how the trust has applied the Code principles and complied with its provisions are set out within this section and throughout this annual report. The table below sets out Monitors Code of Governance where the trust is required to provide supporting explanations.

For the year 2015/16 the trust can confirm that it complies with the provisions of the Code with one exception, which was for part-year only. This relates to the provision B.1.2 that requires that at least half the board of directors, excluding the chairperson, should comprise non-executive directors determined by the board to be independent. During that last six months of the financial year the number of non-executive directors on the board fell below the requirement. The Council of Governors and Monitor (now NHS Improvement) were informed of the position. Details of the composition of the board and how the board operated during that period can be found in section 3i(a) Directors Report and 3vii Annual Governance Statement.

Code provision	Trust position	Comply or explain?
A.1.1 The Board of Directors (Board) should meet sufficiently regularly to discharge its duties effectively. There should be a schedule of matters specifically reserved for its decision. The schedule should include a clear statement detailing the roles and responsibilities of the Council of Governors (Council). This statement should also describe how any disagreements between the Council and Board will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board and Council operate, including a summary of the types of decisions to be taken by each and which are delegated to the executive management of the Board. These arrangements should be kept under review at least annually.	In 2015/16 the BoD met formally on 11 occasions. Matters reserved for the Board, including the types of decisions it takes and which are delegated to committees and executive management, are included in the trust's Corporate Governance Manual and summarised in the 3i Director's report and 3vii Annual Governance Statement. The general duties of governors are stated in the trust's constitution. Matters for which the Council of Governors is responsible and makes decisions on is outlined in the section of this report in respect of the Council. A general statement on the handling of disputes is contained in the trust's constitution.	Comply
A.1.2 The annual report should identify the Chair, deputy Chair, Chief Executive, Senior Independent Director (SID) and the Chair and members of the Nominations, Audit and Remuneration Committees. It should also set out the number of meetings of the Board and those committees and individual	This information is provided in the following sections: 3i(a) Director's report 3i(b) Audit Committee report 3i(c) Board of Directors pen portraits 3ii Remuneration report 3vii Annual Governance Statement.	Comply

Code provision	Trust position	Comply or explain?
attendance by directors.		
A.5.3 The annual report should identify the members of the Council, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor. A record should be kept of the number of meetings of the Council and the attendance of individual Governors and it should be made available to members on request.	Full details of Governors and their terms of appointment is given in section 3i(d) Council of Governors & Members. The trust's Lead Governor was public Governor: **Dorothy Zack-Williams** from April 2016 until October 2015 **Sheila Gwynn Adams** from December 2015 to date	**Comply**
B.1.1 The Board should identify in the annual report each Non-Executive Director (NED) it considers to be independent. The Board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The Board should state its reasons if it determines that a director is independent despite the existence of relationships or circumstances which may appear relevant to its determination.	Non-Executive Directors are asked each year to confirm their independence or otherwise as per the criteria outlined in the Code of Governance.	**Comply**
B.1.4 The Board should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the Trust. Both statements should also be available on the Trust's website.	Section3i(c) Board of Directors pen portraits	**Comply**
B.2.10 A separate section of the annual report should describe the work of the nominations committee/s, including the process it has used in relation to Board appointments. The main role and responsibilities of the nominations	Section 3ii Remuneration report The committees' terms of reference are available on request from Corporate Support Manager Louise Florensa at louise.florensa@lwh.nhs.uk.	**Comply**

Code provision	Trust position	Comply or explain?
committee should be set out in publicly available, written terms of reference.		
B.3.1 For the appointment of a Chair, the nominations committee should prepare a job specification defining the role and capabilities required including an assessment of the time commitment expected, recognising the need for availability in the event of emergencies. A Chair's other significant commitments should be disclosed to the Council before appointment and included in the annual report. Changes to such commitments should be reported to the Council as they arise, and included in the next annual report. No individual, simultaneously whilst being a Chair of a Foundation Trust, should be the substantive Chair of another Foundation Trust.	The trust's constitution provides for the job description and person specification of the Chair to be set by the Board. The significant commitments of those recommended for appointment as Chair are disclosed to the Council before appointment. The Chair's other significant commitments are included Section3i(c) Board of Directors pen portraits Changes to the Chair's commitments are reported to the Council of Governors as they arise. Neither of the trust's Chairs during this period have been the substantive Chair of another Foundation trust during their tenure.	Comply
B.5.6 Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Section 3i (d) Council of Governors & Members.	Comply
B.6.1 The Board should state in the annual report how performance evaluation of the Board, its committees, and its directors, including the Chair, has been conducted, bearing in mind the desirability for independent assessment, and the reason why the Trust adopted a particular method of performance evaluation.	3i(a) Director's report 3i(b) Audit Committee report 3ii Remuneration report 3vii Annual Governance Statement.	Comply
B.6.2 Evaluation of the Board should be externally facilitated at least every three years. The evaluation needs to be carried out against the Board leadership and governance framework set out by Monitor.	Evaluation of the Board was undertaken during 2014/15 based on Monitor's 'Well-led' framework. Deloitte LLP was commissioned as external facilitators for this work. Addition work on the well led review to be undertaken in 2016/7.	Comply

Code provision	Trust position	Comply or explain?
The external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	Deloitte's LLP have no other connection with the trust.	
C.1.1 The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	3i(a) Director's report 3vii Annual Governance Statement 5. Auditors report	Comply
C.2.1 The Board should maintain continuous oversight of the effectiveness of the Trust's risk management and internal control systems and should report to members and governors that they have done so. A regular review should cover all material controls, including financial, operational and compliance controls.	An annual review of the system of internal control is conducted on the instruction of the trust's Audit Committee by internal auditors. 3i(b) Audit Committee report 3vii Annual Governance Statement.	Comply
C.2.2 A Trust should disclose in the annual report if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	3i(b) Audit Committee report	Comply
C.3.5 If the Council does not accept the Audit Committee's recommendation, the Board should include in the annual report a statement from the Audit Committee explaining the recommendation and should set out reasons why the Council has taken a different position.	Not applicable.	Comply

Code provision	Trust position	Comply or explain?
C.3.9 A separate section of the annual report should describe the work of the committee in discharging its responsibilities.	3i(b) Audit Committee report	Comply
D.1.3 Where a Trust releases an executive director, for example to serve as a NED elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Not applicable	Comply
E.1.4 The Board should ensure that the Trust provides effective mechanisms for communication between Governors and members from its constituencies. Contact procedures for members who wish to communicate with Governors and/or Directors should be made clearly available to members on the Trust's website and in the annual report.	Section 3i(d) Council of Governors & Members.	Comply
E.1.5 The Board should state in the annual report the steps they have taken to ensure that the members of the Board, and in particular the NEDs, develop an understanding of the views of governors and members about the Trust.	Section 3i(a) Director's report Section 3i (d) Council of Governors & Members.	Comply
E.1.6 The Board should monitor how representative the Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Information about the trust's membership is reviewed by the Council's Membership Strategy Committee and is available to the Board. Section 3i (d) Council of Governors & Members.	Comply

3v Regulatory ratings

Monitor (now NHS Improvement) is the sector regulator for health services in England. Since 1 April 2013 all NHS foundation trusts have needed a licence from the regulator stipulating the specific conditions they must meet to operate, including financial sustainability and governance requirements.

When assessing our performance the regulator uses a risk rating system for financial performance and governance. The purpose of the ratings is to assess the level of risk to the on-going availability of key services.

In August 2015 Monitor updated the Risk Assessment Framework and introduced a financial sustainability risk rating (FSRR). This indicates the level of financial risk a foundation trust faces to the on-going delivery of key NHS services and its overall financial efficiency. The ratings range from 1, the most serious risk, to 4 the lowest risk.

The governance rating has three categories:

- Green: no evident grounds for concern or the regulator is not undertaking a formal investigation
- Under review: the regulator has identified a concern at a trust but not yet taken action;
- Red: the regulator is taking enforcement action.

What the ratings mean

- Financial Sustainability Risk Rating (FSRR) – is the regulator's view of the level of financial risk a foundation trust faces to the ongoing delivery of key NHS services and its overall financial efficiency. A rating indication serious risk does not necessarily represent a breach of the provider licence, rather it reflects the degree of financial concern the regulator has about the provider and consequently the frequency with which it is monitored.

- Governance – this takes into account our performance against selected national access and outcomes standards, how staff and patients perceive the hospital and financial governance and efficiency concerns.

In 2015/16 the trust achieved an overall Financial Sustainability Risk Rating of 2 against a plan of 2.

The governance rating at the end of the financial year was red. The trust was formally investigated by Monitor (now NHS Improvement) due to the deterioration of the trust's finances. NHS Improvement acknowledged following the investigation that the trust had already taken steps to address its financial challenges but that they had intervened to determine what additional support NHS Improvement could offer the trust as it seeks to reduce its predicted financial deficit and ensure its long term sustainability. On the 8 April 2016 NHS Improvement took action to ensure that the trust deals with the continuing issues it faces and the trust entered into an enforcement undertaking which requires specific actions to be taken. The trust will comply with the requirements of the enforcement undertaking and report compliance through the governance structure.

The breakdown of our ratings and a comparison with last year is below:

2015/16	Annual Plan	Q1	Q2	Q3	Q4
FSRR/ CoS Rating	2	2	2	2	2
Governance rating	Green	Green	Green	Under review	Red
2014/15	**Annual Plan**	**Q1**	**Q2**	**Q3**	**Q4**
Continuity of service (CoS) rating	3	3	4	4	3
Governance rating	Green	Under review	Under review	Green	Green

3vi Statement of the accounting officer's responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Liverpool Women's NHS Foundation Trust

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

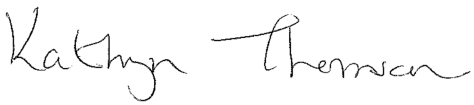
Under the NHS Act 2006, Monitor has directed Liverpool Women's NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Liverpool Women's NHS foundation trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- prepare the financial statements on a going concern basis.

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

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



Kathryn Thomson
Chief Executive
20 May 2016

3vii Annual Governance Statement

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 on-going process designed to identify and priorities the risks to the achievement of the policies, aims and objectives of Liverpool Women'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 Liverpool Women's NHS Foundation Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The trust's risk management strategy sets out the responsibility and role of the Chief Executive in relation to risk management which, as Accounting Officer, I have overall responsibility for. I have delegated the following responsibilities to Executive Directors:

- The Director of Finance has responsibility for financial governance and associated financial risk;
- The Director of Nursing and Midwifery has joint authority for clinical governance and absolute delegated authority for quality, improvement, risk management and complaints, and is executive lead for health and safety, emergency planning, safeguarding and infection control;
- The Medical Director is responsible for all aspects of clinical risk management and clinical governance and has responsibility for the trust's Quality Report;
- All Executive Directors have responsibility for the management of strategic and operational risks within individual portfolios. These responsibilities include the maintenance of the corporate risk register and the promotion of risk management to staff within their directorate. Executive Directors have responsibility for monitoring their own systems to ensure they are robust, for accountability, critical challenge and oversight of risk.

The trust's clinical divisional structure comprises a division which incorporates maternity, gynaecology, surgical services, neonates, genetics and clinical support services led by the Associate Director of Operations who reports directly to the Chief Executive. A division comprising reproductive medicine and private medical care comes under the executive leadership of the Director of Finance.

A framework for managing risks across the trust is provided through the risk management strategy. It provides a clear, structured and systematic approach to the management of risks to ensure that risk

assessment is an integral part of clinical, managerial and financial processes at all levels across the organisation.

A committee structure supports the trust's integrated governance processes and facilitates the appropriate identification of risk ensuring it is properly mitigated, monitored and reported. As Chief Executive I chair the Corporate Risk Committee which coordinates and prioritises all categories of risk management. In fulfilling its role the Committee meets bi-monthly to review all significant corporate risks and considers whether any risks need to be escalated to its parent committee and/or entered onto the Board Assurance Framework (BAF). The Committee is also responsible for ensuring that where lessons learned from risks need to be communicated across the trust, this is done so effectively. The Corporate Risk Committee reports to the Governance and Clinical Assurance Committee of the Board of Directors.

The risk management strategy clearly identifies the Chief Executive as providing leadership and accountability to the trust for risk management and quality improvement. The Board of Directors aims to receive annual training in risk management as do senior managers and all staff receive basic risk management training via the trust's mandatory training programme. In addition, specific staff are trained to a higher level in risk management techniques such as root cause analysis or IOSH (Institution of Occupational Safety and Health) working and managing safely, as identified through the training needs analysis process. Ad hoc training on use of the trust's risk software is also provided across the organisation. The trust's annual staff performance and development review process is used to identify where and if additional, enhanced risk management training is required. Taken together these arrangements ensure staff are trained or equipped to manage risk in a way appropriate to their authority and duties.

Details of all known adverse incidents are captured within the trust using a centralised system (ULYSSES, SAFEGUARD). Data from this system informs trend reports to the Board, its Governance and Clinical Assurance Committee and to operational risk and quality committees. Reports focus on the performance management of actions and recommendations and thus eliminate any risk of false assurance. During the year a number of 'deep dives' were undertaken to test how embedded agreed actions had been implemented, following the investigation of a serious untoward incident. This process will continue in respect of a small, random selection of incidents to ensure that actions planned following their investigation are properly and fully embedded within the organisation.

The Audit Committee has overarching responsibility for the management of risk systems and processes within the organisation. The trust's three assurance committees – the Governance and Clinical Assurance Committee, the Finance, Performance and Business Development Committee and the Putting People First Committee – monitor the trust's BAF which identifies the key risks to its strategic objectives. These Committees have oversight of progress against action plans prepared in respect of risk issues and each Committee reports directly to the Board of Directors. The Board itself reviews the BAF at least bi-monthly; however any BAF risks which increase would be escalated to the Board at the next available opportunity by one of its assurance committees.

The BAF in place at the trust has been reviewed and considered by its internal auditors in preparing their Head of Internal Audit Opinion and Annual Report for 2015/16. In this Opinion/Report significant assurance is given that the trust has a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Developing a risk aware and risk sensitive culture remains an on-going aim for the trust. This is to enable risk management and risk management decisions to occur as near as practicable to the source of the risk. It is also to facilitate appropriate escalation of those risks that cannot be dealt with at the local level.

The risk and control framework

The trust's BAF is the principal mechanism through which the organisation identifies, quantifies, prioritises and monitor's the trust's most significant risks to the achievement of its strategic objectives. The most significant risks, both in-year and on-going, are contained within the trust's corporate risk register. The register drives a dynamic process that changes in response to the changing profile and status of the risks it contains.

Significant risks to the organisation are identified through risk reporting and through the work of committees which are informed by the trust's risk management and quality improvement functions. The Board agrees and reviews the risks outlined in the BAF and makes informed decisions about risk treatments and interventions based on the best intelligence available. In this way the Board is able to determine its risk appetite. Decisions relating to the organisation's response to individual identified risks are therefore determined by the trust's appetite.

During the year the trust's greatest risks, as described in the BAF, were that in order to be clinically and financially sustainable the trust will need to undertake major change over an extended time period, the separate site on which the trust is based, maintaining safe staffing levels, delivering the trust's financial plans for 2016/17 and beyond, achieving benefits from the trust's information technology strategy and developing a sustainable genomic centre.

During 2015/16 the trust continued to operate a model of integrated governance. This best practice model is defined by having in place effective systems, processes and behaviours governing quality assurance and operating within a transparent dynamic that encourages challenge. There are defined clinical and patient safety performance metrics within the trust's broad governance work-streams which are monitored through the trust's internal control systems (clinical governance) and external assurance(s), accreditation and regulation including Monitor, the CQC and the Human fertility and Embryology Authority (HfEA).

The quality of performance information used across the trust is assessed using a structured approach. All patient NHS numbers are checked and validated against national data on a weekly basis, patient level activity data is validated against plan on a monthly basis, including consistency checking across hospital/clinical patient record systems and a central data warehouse, and datasets are verified through two external sources. Our data is then further reviewed to compare against other providers to ensure our clinical performance is satisfactory or better using data provided via CHKS, an independent provider of healthcare benchmarking intelligence and for validation against national expectations using data provided by SUS (Secondary Uses Service) which is part of the NHS. Summary and data level reports are provided to our clinical divisions following the quality checking process to allow them to correct any errors and review data entry processes. The performance report is then reviewed at the trust's Operational Board, its Finance, Performance and Business Development Committee, Governance and Clinical Assurance Committee and ultimately the Board of Directors.

The trust operates a principle whereby risks are identified early and are resolved as close as possible to where the risk originated. The dynamic risk register in place is actively monitored by senior managers within clinical and corporate departments and serious risks and/or risks that have remained unresolved for a period of time are escalated for action as appropriate. The risk register operates as part of a coordinated process within the trust's BAF.

The reporting of incidents, including serious incidents, is actively encouraged. Reporting is via SAFEGUARD, the trust's web-based incident reporting system. During the year the number of incidents reported, and learning from reported incidents, has increased. The most recent national report places the trust in the top quarter of reporters, a desirable position given the recognition that 'Organisations that report more incidents usually have a better and more effective safety culture'. Any decline in quality would be detected via a triangulation of intelligence from a number of valid sources including incidents, complaints, contact with our Patient Advice and Liaison Service, dialogue with patient representative organisations, input from our primary care stakeholders and feedback from GPs, alongside clinical performance benchmarking data. During the year the trust held a series 'raising concerns' drop-in sessions for staff to escalate any safety concerns that they might have.

Quality and equality impact assessments are integrated into the core business of the trust and has been adopted as a prerequisite for all significant cost improvement programmes with sign-off provided by the Medical Director and the Director of Nursing and Midwifery.

All trust policy documents go through a streamlined and robust approvals process which ensures appropriate standardisation of documentation, including completion of equality impact assessments.

Risks to data security are managed and controlled as part of our risk and control framework. The trust is ISO 27001 certified which brings our information and data security under explicit management control. The Director of Finance, as Senior Information Risk Owner, is responsible for information governance, performance against which is monitored through our Governance and Clinical Assurance Committee, which receives regular updates from the trust's Information Governance Committee.

Patients continue to be involved in the risk management process in a number of ways. A patient story is told at the beginning of every meeting if the Board of Directors, sometimes by the patient in person, via a video or audio recording or on their behalf by the Director of Nursing and Midwifery or a clinical member of trust staff. Organisational learning from each story told is identified and actions taken in response are reported back to the Board. The trust also considers complaints, litigation and PALS (Patient Advice and Liaison Service) feedback as important indicators of quality. The Board and its relevant committees regularly receive reports detailing this feedback.

The trust has in place a governance structure to support compliance with the NHS Foundation trust condition 4 (Foundation Trust governance). The trust's Board of Directors comprises of seven Non-Executive Directors including the Chair and five Executive Directors including the Chief Executive. Details of the composition of the Board and changes made during the year can be found in section 3i – Accountability Report; Directors Report.

The Board of Directors is responsible for determining the trust's strategy and business plans, budget, policies, accountability, audit and monitoring arrangements, regulation and control arrangements,

senior appointment and dismissal arrangements and approval of the trust's annual report and accounts. It acts in accordance with the requirements of its terms of license as a Foundation trust.

A number of committees report directly to the Board:

- The Audit Committee is responsible for providing assurance to the Board of Directors in respect of the process for the trust's system of internal control by means of independence and objective review of corporate governance and risk management arrangements, including compliance with laws, guidance and regulations governing the NHS. In addition it has responsibility to maintain an oversight of the trust's general risk management structures, processes and responsibilities, including the production and issue of any risk and control related disclosure statements;
- The Finance, Performance and Business Development Committee is responsible for providing information and making recommendations to the Board of Directors in respect of financial and operational performance issues and for providing assurance that these are being managed safely. The Committee maintains an overview of the strategic business environment in which the trust is operating and identifies strategic business risks and opportunities. The Committee considers any relevant risks within the BAF and corporate risk register as they relate to the remit of the Committee, as part of the reporting requirements. It reports any areas of significant concern to the Corporate Risk Committee or the Board of Directors as appropriate;
- The Governance and Clinical Assurance Committee is responsible for providing the Board of Directors with assurance on all aspects of quality in respect of clinical care, governance systems including risks for clinical, corporate, workforce, information and research and development issues, and for regulatory standards of quality and safety. The Committee considers any relevant risks within the BAF and corporate risk register as they relate to the remit of the Committee, as part of the reporting requirements. It reports any areas of significant concern to the Corporate Risk Committee or the Board of Directors as appropriate;
- The Putting People First Committee is responsible for providing the Board of Directors with assurance on all aspects of governance systems and risks related to the trust's workforce, and regulatory standards for human resources. The Committee considers any relevant risks within the BAF and corporate risk register as they relate to the remit of the Committee, as part of the reporting requirements. It reports any areas of significant concern to the Corporate Risk Committee or the Board of Directors as appropriate;
- The Remuneration Committee determines the remuneration, terms of service and other contractual arrangements relating to the Chief Executive and Executive Directors. It is also responsible for succession planning in respect of executive appointments and for any disciplinary or termination matters relating to the executive management team;
- The Nomination Committee which oversees the recruitment and selection of the Chief Executive and Executive Directors and for reviewing the structure, size and composition of the executive management team on the Board of Directors.

Each Board committee is chaired by a Non-Executive Director and has terms of reference setting out its duties and authority, including matters delegated to it by the Board of Directors. Membership of the Audit Committee and Remuneration Committee is composed only of Non-Executive Directors.

The Board reviews it effectiveness on an annual basis, often with an external facilitator. Each Board committee reviews it effectiveness at the conclusion of each year and prepares an annual report setting out how it has fulfilled its terms of reference. Committee annual reports are then submitted to the Board for review. The Audit Committee reviews its effectiveness with input from the trust's internal and external auditors. Each Board committee routinely receives the minutes of meetings held by its subordinate committees.

Directors' responsibilities are set out in their job descriptions in which reporting lines and accountabilities are identified. Their specific roles are:

The Chair leads the Board of Directors in being accountable to the Council of Governors and leads the Council in holding the Board to account. He ensures the Board develops vision, strategies and clear objectives whilst ensuring it understands its own accountability for governing the trust. The Chair provides visible leadership in developing a healthy culture for the organisation and ensures this is reflected and modelled in their own and the Board's behaviour and decision making. They lead and support a constructive dynamic within the Board and also hold the Chief Executive to account for the delivery of strategy;

- Non-Executive Directors are responsible for bringing independence, external perspectives, skills and challenge to strategy development. They hold the executive directors to account for the delivery of strategy, offer purposeful, constructive scrutiny and challenge, and chair or participate as members of key committees that support accountability. Non-Executive Directors account individually and collectively to the Council of Governors for the effectiveness of the Board. They actively support and promote a healthy culture for the organisation and reflect this in their own behaviour whilst providing visible leadership in developing a healthy culture so that staff believe they provide a safe point of access to the Board for raising concerns;
- The Chief Executive is responsible for leading the strategy development process and delivery of the strategy. She acts as Accountable Officer and establishes effective performance management arrangements and controls. The Chief Executive provides visible leadership in developing a healthy culture for the organisation, and ensure that this is reflected in their own and the Executive Directors' behaviour and decision making;
- Executive Directors take a lead role in developing strategic proposals, leading the implementation of strategy within functional areas and managing performance within their areas of responsibility. The actively support and promote a positive culture for the organisation and reflect this in their own behaviours. Executive Directors nurture good leadership at all levels.

All directors operate as members of the unitary Board.

Principal risks to compliance with condition 4 relate to changes in membership of the Board of Directors and amongst the trust's senior management team. In respect of Board membership, the Chair and two non-executive directors left the trust for personal reasons. As a consequence the Board commissioned an extended report into governance and unitary nature of the Board. The Board noted the findings of the extended report and agreed to implement the recommendations in line with the original well-led review report that was commissioned in 2014/15. The Board believes that the matters that gave rise to the extended report related to an isolated period and has been addressed with the recruitment of a new Chair and non-executive directors. The board did not consider these changes as having a negative impact on the on decisions of the Board or the governance of the trust and the Board continued to act as a unitary Board over that period. Details of changes to the Board can be found in section 3i Directors Report.

The trust submits a report to Monitor on a quarterly basis which provides accurate information in respect of compliance with the trust's licence and any associated risks to compliance. The report details the trust's financial and operational performance for the quarter, including quality performance. It is reviewed by the trust's executive team prior to consideration and approval by the

Board of Director's Finance, Performance and Business Development Committee on behalf of the Board.

Each time it meets the Board of Directors receive the latest available information in respect of the trust's performance. Reports focus on exceptions to target performance and Executive Directors outline improvement plans and mitigating actions. Three of the Board's Committees (Finance, Performance and Business Development, Governance and Clinical Assurance, and Putting People First) review aspects of the trust's performance each time they meet.

The trust is able to assure itself of the validity of its Annual Governance Statement by referring to the Board's annual review of effectiveness, the annual reports of Board committees, reports of its internal and external auditors and reviews of the trust's performance and compliance against national and local standards.

Risk management is embedded in the activity of the organisation in a variety of ways. The agenda for all meetings, from the Board downwards, include an item to consider whether any new risks have been identified during the course of discussion. Where new risks are identified, mitigation is considered and agreed and there is appropriate entry onto the trust's risks register or BAF. Each meeting would also consider whether a known risk had changed in any way and the risk register of BAF would then be updated accordingly.

The trust's Cost Improvement Programme (CIP) includes a process of quality impact assessment (QIA). CIP schemes undergo impartial QIA by the trust's governance department and all schemes relating to clinical care must be approved by the two clinical Executive Directors confirming it will not impact negatively on patient safety and quality.

During the year the trust held a series of 'raising concerns' drop-in sessions where staff could meet and speak in confidence with an Executive Director and/or senior manager. The sessions aimed to promote and encourage the reporting of concerns and incidents and to explain how the trust's systems operated. In addition, the trust continued to promote the Nursing Times' Speak out Safely campaign. In the 2015 staff survey, trust staff were positive about the feedback they received from incidents they had reported or been involved in, a key driver to improving incident reporting levels. The 2016 National Learning Lessons League identified the trust as 'Good'.

Public stakeholders are involved in managing risks which impact on them in a number of ways. Liverpool Clinical Commissioning Group (CCG) is involved through the monthly clinical performance and quality review meeting held with them and which is chaired by the CCG. This meeting is used to discuss the trust's contract and quality performance and to identify any concerns which may become risks. The trust also makes the CCG aware of risks during this meeting. Our local Healthwatch is involved by alerting the trust to issues of concern put to them by their members relating to our services, which we consider and define as risks where appropriate. Other local NHS providers are also involved through a mutual exchange of intelligence and a commitment to addressing risks, for example through the development of patient pathways. Our Council of Governors also plays a role in representing the interests of those we serve and holding the non-executive directors and therefore the Board to account for the services provided by the trust.

Liverpool Women's NHS Foundation trust is fully compliant with the registration requirements of the Care Quality Commission. Assurance is obtained on compliance with CQC registration requirements via the six monthly Hospital Intelligent Monitoring report. This is reviewed by members of the executive team and via the Board's Governance and Clinical Assurance Committee and the trust's Clinical Governance Committee. The trust's CQC registration status is also confirmed in the monthly performance report which is received and reviewed across the organisation's governance structure.

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 Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

The Foundation trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

As Accounting Officer I am responsible for ensuring that the organisation has arrangements in place for securing value for money in the use of its resources.

Each year the trust prepares an operational plan which details the trust's plans, its budget and efficiency targets and is approved by the Board of Directors. The trust's Council of Governors is invited to contribute to the development of the plan. Reports on performance against the plan are presented to the Board of Directors and Council of Governors during the year.

The Audit Committee commissions reports on specific issues relating to economy, efficiency and effectiveness through the internal audit plan. Implementation of recommendations is overseen by the Audit Committee and the executive team.

The Board reviews the financial position of the trust each time it meets via a performance and assurance report. This provides integrated information on financial performance, including the achievement of efficiency targets and other performance measures.

There is a scheme of delegation in place and the key governance committees of the Board are a part of this process, principally the Audit Committee, Finance, Performance and Business Development Committee and the Governance and Clinical Assurance Committee.

Information governance

There have been no serious incidents relating to information governance including data loss or confidentiality breaches which would be classified by the Information Governance Incident Reporting Tool and no cases have been reported to the Information Commissioner's Office.

Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation trust Boards on the form and content of the annual Quality Reports which incorporate the above legal requirements in the NHS Foundation trust Annual Reporting Manual.

The Quality Report is contained within this annual report. Key controls are in place to prepare and publish the Quality Report, responsibility for which is discharged through the trust's Medical Director who provides leadership. Each of the trust's clinical functions has a designated clinical governance lead who is a consultant clinician. Clinical governance leads are responsible for operationally managing delivery of the Quality Report which focuses on patient safety, clinical effectiveness and patient experience. Clinical Directors and senior managers are accountable for delivering all aspects of the Quality Report.

A key role is played by the trust's Effectiveness Senate in preparing the trust's Quality Report. Chaired by a senior clinician, this Committee provides a forum for discussion and challenge in respect of quality indicators and enables a balanced view to be presented in the published Quality Report. Our quality metrics are identified by key stakeholders and the report available to them in draft form to allow comment. The Medical Director, Director of Nursing and Midwifery, Deputy Director of Nursing and Midwifery and the Governance Quality Manager have also attended events hosted by a number of Local Authorities to whom we relate, to present our Quality Report and address comments and questions from these stakeholders. The input of our stakeholders adds further to the balanced view presented in the Quality Report.

A quality performance report and dashboard is in place in order to review and report the quality metrics. This is updated monthly and is regularly reviewed, including by the trust's Effectiveness Senate.

The trust is working in line with its Quality Strategy for 2014/17. It has also formulated a safety plan which was submitted to the national 'Sign up to Safety' campaign and was successful in securing £100,000 towards its implementation. Both documents are available via the trust website and regular updates are also shared. The trust has a dashboard that is monitoring delivery of its quality metrics and has been key to the successful delivery of the trust's Quality Report 2015/16.

Delivery of the Quality Report is also supported by the trust's Head of Clinical Audit, Deputy Director of Nursing and Midwifery, Head of Information for Governance and the officers of the Information Department who combined, provide the skills necessary to compile, analyse and audit the accuracy of data which informs the quality metrics. Data sources used include the trust's Nursing and Midwifery indicators, data reported under CQUINS (Commissioning for Quality and Innovation payment framework), Inpatient Commissioning Dataset, trust activity data drawn largely from Meditech, IDEAS reproductive medicine database, clinical audit data, Ulysses incident reporting system, CHKS and SUS data, inpatient and day case survey results and our staff survey results. There is also a series of policies in place at the trust which underpin the quality of care provided and include clinical guidelines and standard operating procedures.

The trust employs the services of Pricewaterhouse Coopers LLP as external auditors to provide a limited assurance report in relation to compliance with the requirements of the National Health Service (Quality Accounts) Regulations and to the quality and accuracy of the report through audit of three representative measures (two of three mandated by Monitor and a third selected by the trust's Council of Governors) and a consistency check of the contents of the report with a range of internal trust documents and records.

Review of effectiveness

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

The Head of Internal Audit has provided me with a positive opinion on the overall adequacy and effectiveness of the organisation's system of internal control. The assurance framework in place provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives has been reviewed. The Head of Internal Audit has stated that in her opinion, that the trust had adequate and effective framework for risk management, governance and internal control. However, the work had identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

The Head of Internal Audit's opinion makes reference to three specific issues flowing from reviews undertaken at the request of trust management, who recognised a lack of assurance in these areas.

Two reports resulted in a 'Red' (no assurance) opinion in respect of design of and compliance with the trust's control framework within the specific areas under review and one 'Amber Red' (partial assurance) opinion and two reports with split opinions where part of the opinion was 'Red' or 'Amber Red'.

The two 'Red' opinion and one split opinion 'Red' reports related to Pathology and Radiology Results, Discharge Management and Pharmacy Stock and Ward Material Management (excluding controlled drugs) respectively. The main issues noted were in relation to the backlog of unread pathology and radiology results in the Pathology audit, the lack of established processes for identifying and reporting delayed discharges in the Discharge audit and controls over out-of-date drugs at Pharmacy and ward level in the Pharmacy audit. Actions by the trust had been identified to address these weaknesses following further review by Internal Audit of the work carried out it was confirmed that reasonable progress had been made in implementing management actions in relation to the actions arising from our Pharmacy and Pathology internal audit reports and good progress had been made in relation to the actions within the Discharge Management assignment report. This follow up demonstrates

control improvements made by the trust in light of these three reports but also shows that more work was required in certain areas to fully address the identified issues.

The one full 'Amber Red' opinion report highlighted weaknesses in relation to the trust's data quality processes in place with regards to safer staffing measures whilst the one split opinion 'Amber Red' report identified issues in relation to the application of controls over the use of the World Health Organisation (WHO) surgical safety checklist. Management actions agreed as part of these reports have been monitored via the Executive Team and reported to the Audit Committee

All recommendations from internal audit, external audit and the Local Counter Fraud Service are monitored by the Audit Committee using tracking software, to ensure recommendations are followed through to implementation. It is noted that the Head of Internal Audit did not consider the matters identified in her Opinion to be of sufficient concern to cause his overall opinion to be negative.

My review of effectiveness is also informed by reports and minutes from the Audit Committee, Governance and Clinical Assurance Committee, Finance, Performance and Business Development Committee, Putting People First Committee, Clinical Governance Committee, Clinical Audit Committee, Emergency Preparedness, Resilience and Response Committee and Infection Prevention and Control Committee. Other relevant assessments to which the trust responds includes relevant CQC reviews, the Patient Led Assessments of the Care Environment (PLACE) undertaken, national confidential inquiries, reports from the Centre for Maternal and Child Enquiries and Ombudsman's reports.

Independent assessment has been provided by the NHS Litigation Authority assessors who re-accredited the trust as Level III for general standards in May 2011 and re-accreditation at Level III of the Clinical Negligence Scheme for trusts for maternity standards in June 2011. There was an external audit of clinical coding in February 2015, undertaken as part of Monitor's data assurance framework. This provided high levels of assurance with regard to clinical coding at the trust.

In reviewing the system of internal control I am fully aware of the roles and responsibilities of the following:

- The Board of Directors whose role is to provide active and visible leadership of the trust within a framework of prudent and effective controls that enable risk to be assessed and effectively managed. The Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system;
- The Audit Committee which, as part of our governance structure, is pivotal in advising the Board on the effectiveness of the system of internal control. This includes tracking the trust's response to internal control weaknesses identified by internal audit;
- The Board's assurance committees namely the Governance and Clinical Assurance Committee, the Finance, Performance and Business Development Committee and the Putting People First Committee, each of which provides strategic direction and assurance to the Board in respect of risk management;
- The Effectiveness Senate and Governance & Clinical Assurance Committee who are instrumental in preparing our Quality Report and monitoring performance against agreed quality indicators;
- The programme of clinical audit in place which is designed to support achievement of the trust's strategic objectives. The programme is monitored by the Effectiveness Senate which reports to the Governance & Clinical Assurance Committee;

- Internal audit provides regular reports to the Audit Committee as well as full reports to the Director of Finance and executive team. The Audit Committee also monitors action taken in respect of audit recommendations and the Director of Finance and Deputy Director of Finance meet regularly with the internal audit manager;
- External audit provides an annual audit letter and progress report through the year to the Audit Committee.

Significant control issues would be reported to the Board via one of its Committees. All significant risks identified within the BAF have been reviewed in-year by the Board and relevant Committee and appropriate control measures put in place.

During the year, specific management reviews were undertaken as a result of risks to performance identified from the performance management system. These included:

- The trust was formally investigated by Monitor (now NHS Improvement) due to the deterioration of the trust's finances. NHS Improvement acknowledged following the investigation that the trust had already taken steps to address its financial challenges but that they had stepped in to determine what additional support NHS Improvement could offer the trust as it seeks to reduce its predicted financial deficit and ensure its long term sustainability. On the 8 April 2016 NHS Improvement took action, under the license for providers, to ensure that the trust deals with the continuing issues it faces and the trust entered into an enforcement undertaking which requires specific actions to be taken in order that the trust can return to a sustainable position. The trust will comply with the requirements of the enforcement undertaking and report compliance through the governance structure.

- The trust was formally inspected by the CQC, in February and March 2015. The CQC provided and an overall rating for the trust from the inspection of 'Good'.

  Liverpool Women's agreed an Action Plan with the CQC to address those areas that they felt could be further enhanced. This Action Plan was subsequently signed off as complete by the CQC. The full methodology used by CQC was adopted by the trust in preparation for the inspection and has continued since to ensure all services run in accordance with both the Key Lines of Enquiry and the Fundamental Standards, which set in law the minimum requirements acceptable by the regulatory bodies.

- During the year there was a single direct maternal death of a patient under the care of the trust. A Coroner's Inquest is being held in May 2016. The death was reported as a serious untoward incident and is undergoing full investigation at the trust. The number of maternal deaths occurring at the trust remains below the national average.

- The trust is continuing to liaise with the CQC to close the three outlier alerts highlighted in the previous year's Annual Report. Reports for each have been received and accepted by the CQC with the remaining work now focussed on following up on the trust's progress with implementing actions in response.

- An NHS Protect audit in March 2016 highlighted 3 areas of non-compliance for the trust. An action plan in response has been formulated and is being progressed through the Safety Senate.

- In previous annual reports I have reported that the trust had cause to review the surgical practices of one of its consultants during 2008/09. This review led to the recall of a number of patients in order for the trust to be satisfied that they have received the quality of care expected

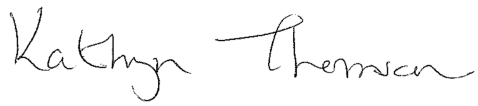
for all patients. All of these patients were signposted to further treatment or they were discharged, whichever was most appropriate for them. An independent review of governance arrangements was commissioned by the trust to determine the lessons that could be learned and identify any areas for further improvement. The outcome of this review was considered by the Board of Directors in January 2010. It concluded that the trust's governance arrangements were generally strong and that the issues that triggered the review was not systemic. An action plan was developed based on the report's recommendations and which was implemented and monitored through the trust's governance structure from 2010/11 onwards. An independent review of its implementation was also commissioned and undertaken during 2010/11, to provide robust assurance that all required actions had been satisfactorily completed or were on target for completion, and the report of this review was considered by the Board of Directors in April 2011.

The trust then commissioned its internal audit service in 2012/13 to provide some external assurance that the organisation had adopted, embedded and learned from the recommendations made in the independent review of governance. This review led to a finding of limited assurance and indicated that further work was required in respect of two of the recommendations. This further work was undertaken during 2013/14 when the Board's Putting People First Committee developed a comprehensive medical workforce recruitment and development strategy, and the Clinical Governance Committee oversaw the collection, collation and reporting of outcome measures in the trust's urogynaecology service by ensuring all of its clinicians collected BSUG (British Society of Urogynaecologists) audit data.

The Board of Directors is committed to continuous improvement and the development of systems of internal control.

Conclusion

There have been no significant control issues identified during 2015/16 and up to the date of approval of the annual report and accounts.



Kathryn Thomson
Chief Executive
20 May 2016

Liverpool Women's
NHS Foundation Trust

Dedicated to you

Quality Report
Liverpool Women's NHS Foundation Trust
2015-16

Why publish a Quality Report?

The purpose of a Quality Report is to inform you, the public, about the quality of services delivered by Liverpool Women's NHS Foundation Trust. All providers of NHS Services in England are required to report annually on quality; the Quality Report enables us to demonstrate our commitment to continuous, evidence based quality improvement and to explaining our progress to the public. The Quality Report forms an important part of the Trust's Annual Report. This is the Trust's 7th Quality Report.

Statement from the Chief Executive

Welcome to Liverpool Women's NHS Foundation Trust's 7th annual Quality Report. This provides an opportunity for us to report on the quality of healthcare provided during 2015-16, celebrate our achievements and to share with you the Trust's key priorities for quality in 2016-17. This is a critically important document for us as it highlights our commitment to putting quality at the heart of everything we do.

At Liverpool Women's our 3-year Quality Strategy sets our long-term quality objectives; encouraging projects that will reduce harm and mortality, improve patient experience and ensure the care that we give to our patients is reliable and grounded in the foundations of evidence based care. We believe our strategy will ensure the services we provide are safe, effective and provide a positive patient experience.

By reporting to you annually through our Quality Report we demonstrate how the Trust has performed against the ambitious, specific targets we set ourselves each year. It is through striving to deliver each of these individual targets that we will be able to achieve the long-term objectives in our Quality Strategy. As well as reporting on performance, the Quality Report also identifies our priorities for the coming year. These priorities range from nationally published measures through to our own locally selected issues.

I would like to take this opportunity to discuss some of my "quality highlights" this year. Each of them is an initiative we have been involved with over the past 12 months that will change the lives of patients and their families for the better.

Liverpool has a long history of focusing on women's health and to ensure this continues the Trust has been working hard during the year on its Future Generations Strategy. Healthcare should never stand still and we are unwavering in our desire to protect and enhance those aspects of Liverpool Women's that are most valued by our patients and our staff. This is what makes for a unique care experience for the women and families who use our services and is what instils quality in our delivery of the services. Through every stage of the work it has proceeded to develop options for the future based on strong clinical evidence and the most rigorous standards of quality. We will continue to speak to our patients and our wider communities to ensure they help shape the women's services of the future in Liverpool and that these services deliver quality care they can be proud of.

The experience patients and families have while on their journey with us is central to everyone at Liverpool Women's. To improve the opportunities for the patient voice to be heard we reported in last year's Quality Report on the on-going transformation of our Patient Advise and Liaison Service (PALS). Efforts to increase accessibility continued into this year and in

July 2015 were recognised nationally in the "Dedicated to Patients and their Families" category at the National Patient Experience Awards.

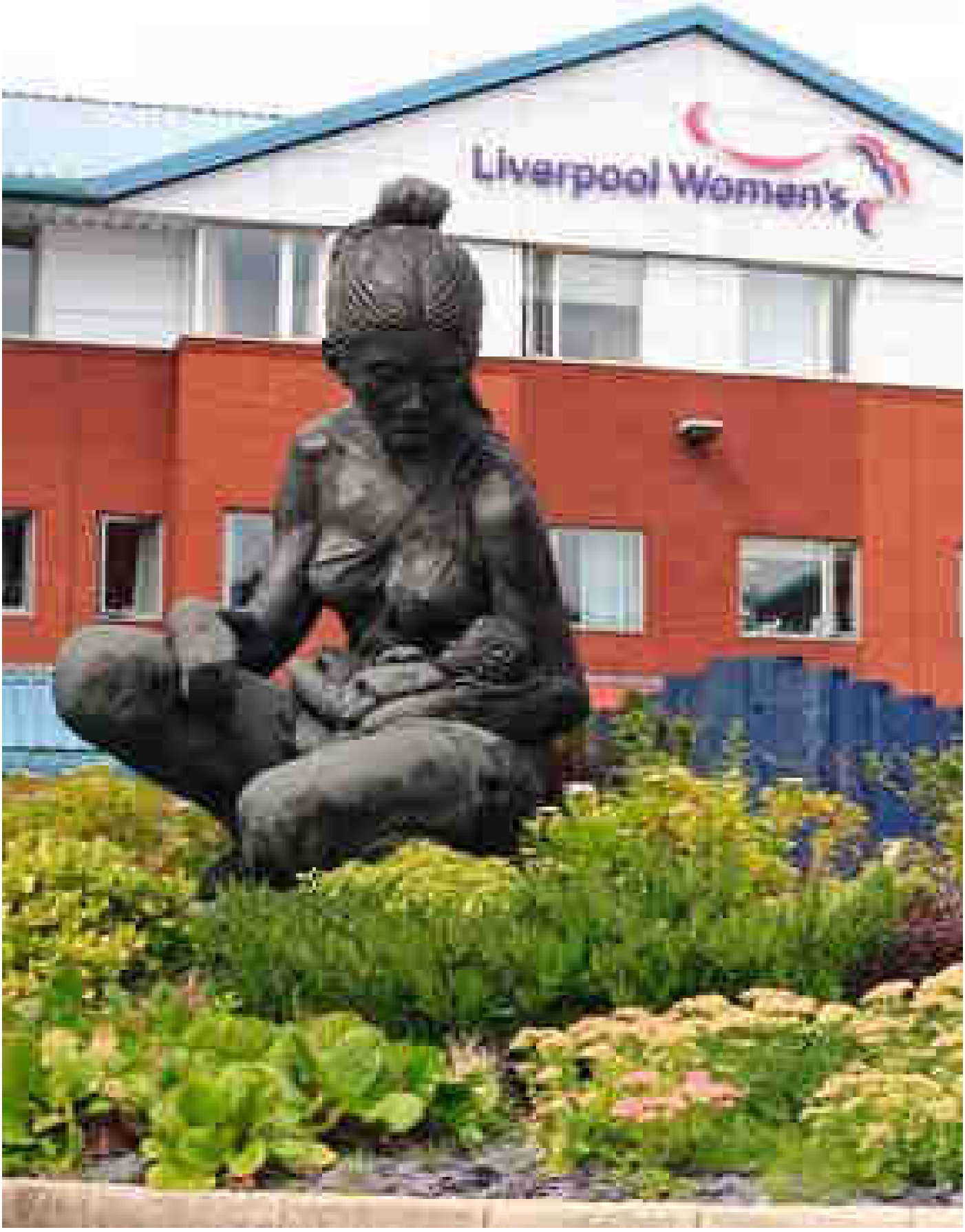
In October, over 300 women and their families attended a Service of Remembrance, held at the Isla Gladstone Conservatory in Stanley Park, as part of Baby Loss Awareness Week. This event is just one of the ways the Trust supports those who have suffered a loss through miscarriage, stillbirth or early neonatal death, in some cases many years after their loss.

The Trust is at the forefront of the national "Sign up to Safety" campaign. This campaign focuses on the reduction of avoidable harms. At Liverpool Women's we launched projects in November 2015 that aim to reduce avoidable harm by 50% in 3 years by reducing the incidents of babies born with Grade 2/3 Hypoxic Ischaemic Encephalopathy and reducing the incidence of sepsis.

This report contains many indicators as to the quality of the care and service provided by all of the staff here at Liverpool Women's. I encourage you to read the report and to see the range of measures that are in place to improve and sustain quality by reducing harm, reducing mortality and improving patient experience.

In making this statement I can confirm that, to the best of my knowledge, the information contained in this Quality Report is accurate.

Kathryn Thomson
Chief Executive
20 May 2016


Liverpool Women's

Part 2

Priorities for improvement and statements of assurance from the board

Priorities for Improvement

The section of the report looks at the Trust's quality priorities, how we have performed against them during 2015-16 and how we plan to monitor progress during the coming year.

These priorities are a combination of national and local issues and wherever possible are identified by as wide a range of stakeholders as possible; this includes patients, their families, the wider public, our staff and commissioners. The Trust's priorities can be summarised by our 3 goals: to reduce harm, reduce mortality and provide the best patient experience. The Trust priorities ensure that Safety, Effectiveness and Experience, set out by the Department of Health as the 3 central principles of quality healthcare, remain at the core of all activity at Liverpool Women's.

Reduce Harm

Safety is of paramount importance to our patients and is the bottom line for Liverpool Women's when it comes to what our services must be delivering.

Reduce Mortality

Effectiveness is providing the highest quality care, with world class outcomes whilst also being efficient and cost effective.

Provide the best Patient Experience

Our patients tell us that the **experience** they have of the treatment and care they receive on their journey through the NHS can be even more important to them than how clinically effective care has been.

Reducing Harm

This section of the report looks at how the Trust ensures Safety through the use of its first quality goal, "to reduce harm". Despite the best efforts of every healthcare professional, harm occurs every day to patients in every hospital. Catastrophic events are rare but we acknowledge that unintentionally a significant number of patients experience some harm in the course of their care. Given the nature of the services we provide, harm can sometimes result in lifelong consequences for women, babies and families.

As a specialist Trust, Liverpool Women's has thought carefully about the types of harm that are particularly relevant to the services we provide and the patients we care for. The priorities that have been selected are therefore specific to us and to the issues most relevant to you, our patients and families, and your safety. They give the best overview of how we are tackling harm and working hard to reduce it.

Our Priority	**To reduce the number of elective surgical site infections in gynaecology to an average of 3 per calendar month**

What we said we'd do

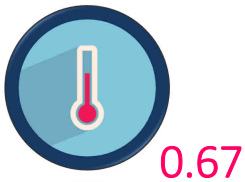
Surgical site infection and its reduction is an important part of national guidance and national programmes to improve patient care. Post-operative infections are important both to the individual patients involved, but also to the hospital as they can provide a marker as to the effectiveness of our care of patients before during and after operations.

Monitoring the number of elective surgical site infections allows us to continue our progress in reducing this important avoidable harm.

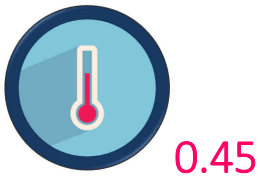
What the data shows

In the past 12 months there was an average of 0.45 surgical site infections recorded per month as a result of elective gynaecological surgery. Initiatives such as the WHO surgical checklist and our Enhanced Recovery Programme have helped us to reduce the surgical site infection rate and to remain significantly below the 3 per month stated as the upper limit in this priority.

Our upper limit for infections each month



2014-15 infections each month



2015-16 infections each month

Data Source: Hospital Episodes Submission

What happens next?

The Trust's Governance and Clinical Assurance Committee, and ultimately the Board, have an overview of the delivery of the work streams in respect of this indicator. Infection data is also reviewed twice monthly within the Matron's report to the Infection Prevention and Control Committee.

This indicator has assisted in reducing surgical site infections for our patients, ensuring it is discussed and monitored throughout the year. The Trust will continue to monitor this indicator throughout the next 12 months and will report on our level of success in next year's report.

Our Priority	To work to cleanse data for emergency patients and determine underlying infection complication rates

What we said we'd do

In October 2014, the Trust's Infection Prevention and Control department re-invigorated its wound surveillance programme. The team receive regular coding reports and use them, along with ward referrals and infection and tissue viability reports, to validate surgical site infection coding by reviewing selected cases. If the infection cannot be confirmed the coding is reviewed and where necessary amended.

What the data shows

The Infection Prevention and Control Team now validate all surgical site infections for Gynaecology and Caesarean Sections with the Coding Department. This provides assurance that coded surgical site infection data is accurate for all patients

Data Source: Infection Control Department

What is data cleansing?

Data cleansing means checking our records to make sure that everything recorded in them is correct. With infection, this means checking that all of our patients who have had an infection have this recorded in their notes. It also means making sure anyone who didn't have an infection doesn't have it recorded in their notes. High quality information leads to better patient care

What happens next?

The indicator is reviewed by the Trust's Infection Prevention and Control Committee, with updates received by the Governance and Clinical Assurance Committee. Our efforts to monitor and improve infection data will continue in the next 12 months in the same way.

Our Priority	To achieve zero MRSA infections

What we said we'd do

MRSA is Meticillin-Resistant Staphylococcus aureus. Staphylococcus aureus is a bacterium (germ) and is often found on the skin or in the nose of healthy people. Most S. aureus infections can be treated with commonly used antibiotics. However, MRSA infections are resistant to the antibiotic meticillin and also to many other types of antibiotics.

Infections with MRSA are usually associated with high fevers and signs of infection. Most commonly these are infections of the skin (like boils and abscesses). Less commonly, MRSA can cause pneumonia and urine infections. The Trust takes extremely seriously its duty to prevent infection and provide care in a safe environment and having achieved zero instances of MRSA bacteraemias for four consecutive years wished to monitor and maintain this record this year.

What the data shows

The Trust is disappointed not to have achieved the target of zero cases of MRSA, with one case being identified during 2015-16. Each MRSA bacteraemia case is investigated with all staff involved using a detailed Root Cause Analysis identifying areas for improvement.

MRSA infections in 2012-13 0

MRSA infections in 2013-14 0

MRSA infections in 2014-15 0

MRSA infections in 2015-16 1

Data Source: Infection Control Department

What happens next?

A number of actions have been put in place to reduce the risk, including enhanced surveillance and training. The delivery of this work is overseen and monitored by the Trust's Governance and Clinical Assurance Committee and ultimately the Board.

Our Priority	To achieve zero Clostridium-difficile (C-diff) infections

What we said we'd do

Clostridium difficile are bacteria that are present naturally in the gut of around two-thirds of children and 3% of adults. C.difficile does not cause any problems in healthy people. However, some antibiotics that are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut. When this happens, C.difficile bacteria can multiply and produce toxins (poisons), which cause illness such as diarrhoea and fever. C.difficile infection is the commonest cause of healthcare associated diarrhoea. Having achieved zero instances of Clostridium difficile infection during 2015-16 the Trust wished to monitor and maintain this record.

What the data shows

There were no reported instances of Trust apportioned Clostridium difficile infection in persons aged 2 or over in 2015-16.

C-diff infections in 2012-13 0

C-diff infections in 2013-14 2

C-diff infections in 2014-15 0

C-diff infections in 2015-16 0

Data Source: Infection Control Department

What happens next?

Having successfully maintained zero instances of C-diff in consecutive years we wish to monitor and maintain this record. The Trust's Governance and Clinical Assurance Committee and ultimately the Board have an overview of the delivery of this work. All cases (and nil returns) are also reported monthly onto the national mandatory reporting database.

Our Priority	To achieve a rate of late-onset bloodstream infections in preterm infants below 0.5 infections per 100 very low birth weight intensive care and high dependency days

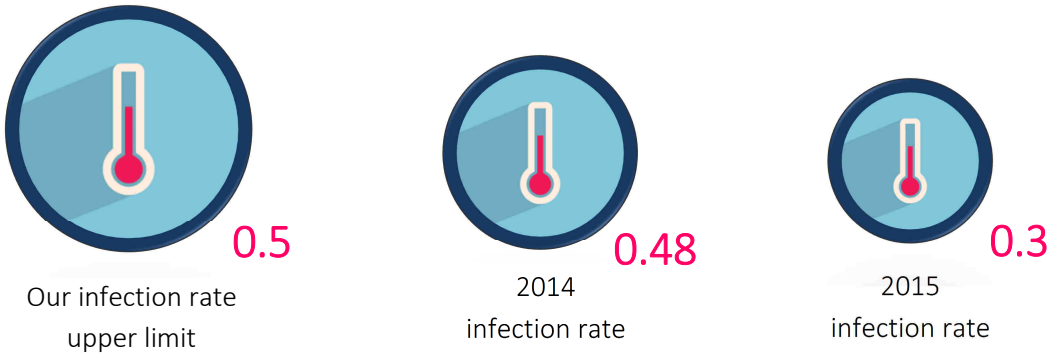
What we said we'd do

Late-onset neonatal infection is an important, but potentially avoidable, complication of preterm birth. Premature babies below 30 weeks are the most vulnerable to bloodstream infections and in whom infection has the potential to cause significant morbidity and mortality.

By limiting the number of babies who acquire these infections we are also able to impact on the associated short and long-term clinical outcomes which can include chronic lung disease.

What the data shows

The most recent data available to us is from the calendar year 2015. The infection rate was 0.30 infections per 100 very low birth weight intensive care and high dependency days. This is below our target of 0.5 and lower than the rate of 0.48 in 2014.



Data Source: Vermont Oxford Network

What happens next?

The data for this priority will continue to be calculated and reported as one of the items monitored by the Neonatal Unit. This measure will then be confirmed at the Trust Effectiveness Senate and onwards as required.

Our Priority	To achieve a proportion of preterm babies who develop a late-onset bloodstream infection below the median benchmarked against the Vermont Oxford Network (VON)-UK.

What we said we'd do

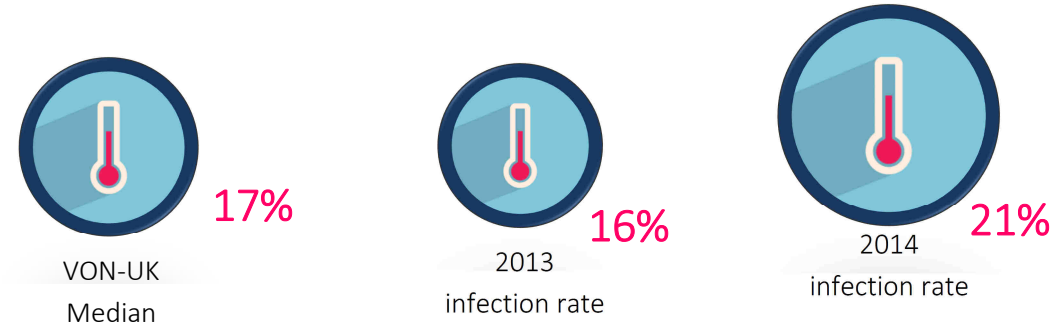
As described in the previous priority, late-onset neonatal infection is an important, but potentially avoidable, complication of preterm birth. By benchmarking our rates with VON-UK we are able to make sure babies in our unit receive treatment comparable with the best available.

What is VON?

The Vermont Oxford Network (VON) is comprised of teams of health professionals representing neonatal intensive care units around the world. These teams look to improve the quality and safety of medical care for newborn infants and their families through a coordinated program of research,

What the data shows

The most recent data available to us is from the calendar year 2014. The infection rate was slightly higher than in 2013 and above the median value for VON units in the UK. This indicates an increasing trend in neonatal infection which may, in part, be explained by differences in case-mix and /or survival of babies admitted to LWH compared with other units.



Data Source: Vermont Oxford Network

What happens next?

The data for this priority will continue to be reported locally by the Neonatal Unit. This measure will then be confirmed to the Effectiveness Senate, with oversight by the Governance and Clinical Assurance Committee and Trust Board as required.

Our Priority	To reduce the incidents of babies born with Grade 2/3 Hypoxic Ischaemic Encephalopathy by 50% over 3 years

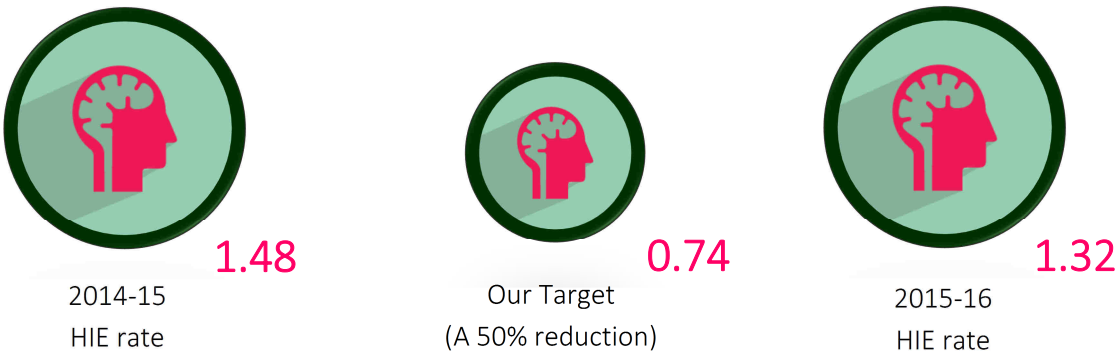
What we said we'd do

Hypoxic Ischaemic Encephalopathy (HIE) is an acute disturbance of brain function caused by impaired oxygen delivery and perfusion of the brain. The prognosis for babies born with HIE can be severe and lead to life-long care needs; improving care to prevent it occurring is of benefit to the families using our services. The Trust will also reduce the number of unexpected admissions to the neonatal unit and the number of serious incidents requiring investigation related to these scenarios.

The Trust identified this as a priority with potential for improvement and has included it in its 'Sign up to Safety' plan, setting a target of reducing the incidence of this grade 2/3 HIE by 50% in three years.

What the data shows

In the past 12 months there have been 1.32 babies born with Grade 2/3infections per 1000 term births (excluding elective cesaerean sections). This compares to 1.48 in the previous 12 months. In the first year of this priority there has therefore been a 11% reduction.



Data Source: LWH Badger System

What happens next?

All babies treated with therapeutic hypothermia will continue to have an in depth review of their care, in line with "Every Baby Counts" methodology, to identify any themes of deficiency in care. The Trust also holds multidisciplinary reviews in conjunction with external peers. Data for HIE will continue to be reported monthly on the performance dashboard with concerns escalated to the Effectiveness Senate and onwards as required.

Our Priority	To reduce the number of very low birth weight babies who have ultrasound evidence of periventricular haemorrhage (grade 3 or 4) or periventricular leukomalacia to be in the lowest quartile of benchmarking peers

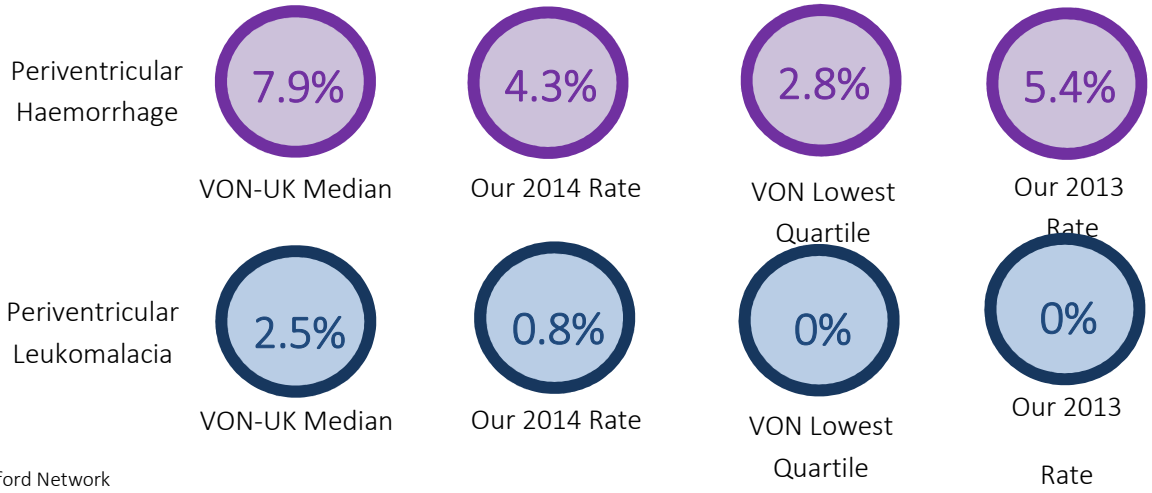
What we said we'd do

Neurological disability as a consequence of perinatal brain injury is an important adverse outcome in babies who survive preterm birth. It has implications for the individual and the family as well as health and educational services. The quality of care provided in the perinatal period may impact on the incidence of these injuries. Monitoring and benchmarking these outcomes for our babies allows us to ensure that the high quality of care that we provide is being maintained.

By benchmarking our rates with VON and aspiring to the lowest quartile we aim to make sure babies in our unit receive treatment comparable with the best available.

What the data shows

The rate of both major periventricular haemorrhage and periventricular leukomalacia in inborn babies born with very low birth weight and cared for at Liverpool Women's is below the median for the 38 neonatal units across the UK that benchmark using the VON system in the most recently published data.



Data Source: Vermont Oxford Network

What happens next?

The Trust will continue to benchmark against VON and endeavour to be in the lowest quartile. We will monitor and implement any new evidence based interventions to prevent or reduce preterm perinatal brain injury as they become available. This priority is monitored locally and reported and discussed at the Safety Senate. From here it is escalated to the Governance and Assurance Committee, and ultimately to Trust Board, as required.

Our Priority	To increase reporting of all medication error incidents by 10% quarter on quarter (~16% in year), to enable identification and resolution of causal factors

What we said we'd do

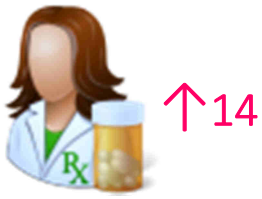
The administration of medication is the most frequent medical intervention a patient receives in hospital. The EQUIP[1] study, a large multi-centre study on prescribing errors shows an 8.9% prescribing error rate. We committed to this priority because improving the reporting culture around medication errors and having the right processes to review and learn from them can have a positive impact on patient safety.

What is a medication error?

A medication error is any preventable event that either causes or leads to inappropriate medication being used or a patient being harmed. This could be due to a variety of issues such as prescribing, poor communication, product

What the data shows

There were 335 medication error incidents reported during 2015-16. This represents an increase of 14% in reporting compared to the previous 12 months and did not meet our annual target of a 16% increase.



Data Source: Ulysses Risk Management System

What happens next?

Promotion of reporting across the multi-disciplinary team and robust systems to review medication errors have been implemented and are expected to increase our reporting levels to a greater extent in the next 12 months.

The individual service areas are responsible for managing medication related incidents. Medication errors are reported monthly to local forums with oversight of all medication incidents provided by Medicines Management Committee where cross divisional trends can be identified and action taken.

Our Priority	To ensure that all medication incidents rated at 10 or above are subject to a Root Cause Analysis

What we said we'd do

As the previous priority outlines, monitoring the reporting of medication incidents can reduce harm and increase patient safety significantly. All incidents are given a score based on their severity and likelihood up to a maximum of 25. This priority committed the Trust to ensuring that any incident scoring 10 or more got enhanced scrutiny using a root cause analysis. This allows the best opportunity for the Trust to capture and implement learning and reduce the number of serious medication error incidents.

What the data shows

There were 0 medication error incidents scoring 10 or more during 2015-16. We reported 2 medication error incidents scoring 10 or more in our 2014-15 Quality Report

The Trust has conducted a full Root Cause Analysis investigation into 1 medication incident during 2015-16 even though it did not hit this scoring threshold.

Data Source: Ulysses Risk Management System

[1] Dornan, T, Ashcroft, D, Heathfield, H, Lewis, P, Miles, J, Taylor, D, Tully, M, Wass, V. An in depth investigation into causes of prescribing errors by foundation trainees in relation to their medical education. EQUIP study. General Medical Council: 3 December 2009.

What happens next?

The Trust remains committed to ensuring that all medication incidents rated at 10 or above are subject to a Root Cause Analysis, particularly as promotion of reporting and robust systems to review medication errors are expected to lead to an increase in our reporting levels to a greater extent in the next 12 months.

The individual service areas are responsible for managing medication related incidents. Medication errors are reported monthly to local forums with oversight of all medication incidents provided by Medicines Management Committee where cross divisional trends can be identified and action taken.

Our Priority	To ensure that no more than 10% of live births as a result of assisted conception treatment are multiples

What we said we'd do

As assisted conception treatment improves, replacing more than one embryo at a time now more frequently results in a multiple birth. This means a more complicated pregnancy with a much higher incidence of preterm birth. As preterm birth is well recognised to be associated with physical and development problems, reducing the incidence of multiple births was selected as a priority for us and will be a key contributing factor in reducing harm.

The Human Fertilisation & Embryology Authority (HFEA), the UK fertility regulator, sets a target of 10% for fertility centres to meet in its drive to reduce the number of multiple pregnancies arising from fertility treatments.

What the data shows

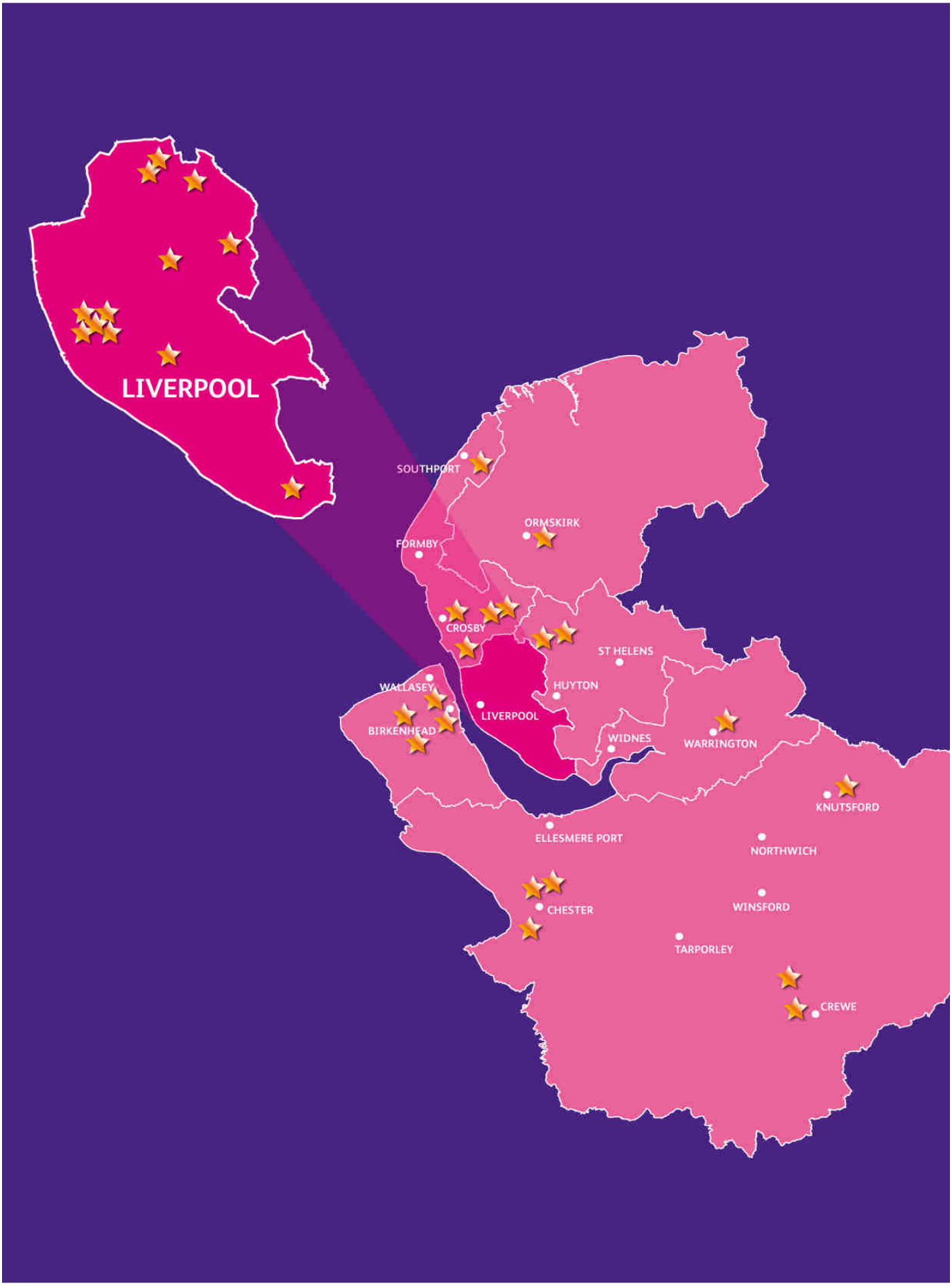
There has been a continuing downward trajectory for multiple birth rates. The Trust met the target again this year. Further to this, we have been told by the HFEA that the Trust has one of the lowest multiple live birth rates in the country, if not the lowest.

Data Source: Human Fertilisation & Embryology Authority (HFEA)

What happens next?

Monitoring of multiple pregnancies and births and the review of the multiple birth minimisation strategy will continue and is also a requirement of the HFEA. Clinical and laboratory methodologies and strategies are constantly reviewed and strive to provide every patient with a successful outcome, a healthy singleton live birth.

This priority is monitored locally and is reported and discussed at the Effectiveness Senate. From here it is escalated to the Governance and Assurance Committee, and ultimately to Trust Board, as required.


LIVERPOOL
SOUTHPORT
ORMSKIRK
FORMBY
CROSBY
ST HELENS
WALLASEY
HUYTON
LIVERPOOL
BIRKENHEAD
WIDNES
WARRINGTON
KNUTSFORD
ELLESMERE PORT
NORTHWICH
CHESTER
WINSFORD
TARPORLEY
CREWE

Reducing Mortality

This section of the report considers how the Trust seeks "to reduce mortality", ensuring the effectiveness of our services and the best outcomes for our patients. Given the nature of the services we provide at Liverpool Women's, such as looking after the very premature babies born or transferred here and providing end of life care for cancer patients, we do see deaths, many of which are expected. However, our quality goal is to reduce mortality wherever possible.

As is explained on the right, the use of HSMR is not appropriate for this organisation; as it excludes a large number of our deaths using it may give false concern or reassurance. This has been considered very carefully by the Trust and we have committed to monitoring our mortality by focussing on each clinical area separately. We will record our mortality rates in those areas and benchmark against national standards. To ensure effectiveness in the Trust is at the absolute forefront of practice, the Trust goes a step further than most other hospitals by ensuring that every case in which there is a death is reviewed individually so that any lessons regarding failures of care may be learned.

Do you use the Hospital Standardised Mortality Rate (HSMR)?

The government uses a standardised measurement to calculate mortality across the NHS. This ratio, HSMR, compares a hospital's actual mortality rate to the mortality rate that would be expected given the characteristics of the patients treated. This is not a useful tool for Liverpool

Our Priority	To deliver our risk adjusted neonatal mortality within 1% of the national Neonatal Mortality Rate

What we said we'd do

Neonatal mortality rate (NNMR) is accepted to be a useful indicator of the effectiveness of a perinatal healthcare system and two-thirds of infant deaths occur in the neonatal period. The neonatal service at Liverpool Women's cares for one of the largest populations of preterm babies in the NHS and it is extremely important that survival of these babies is monitored to ensure that the quality of the care that we are providing is maintained

National data for neonatal mortality by gestation is published annually by the Office for National Statistics (ONS) and we use this for benchmarking purposes, committing in our priority to be within 1% of the national rate.

What the data shows

The latest available data shows that when only births booked at this Trust are considered the Neonatal Mortality Rate at Liverpool Women's is below the national rate at 2.1 deaths per 1,000 live births. Even when those babies transferred here for specialist treatment are considered our rate is 0.4% above the national rate, within the Trust target of remaining within 1% of the national rate.

UK NNMR

Liverpool Women's gestation corrected NNMR (all live births)

Liverpool Women's gestation corrected NNMR (pregnancies booked at Liverpool Women's)

Data Source: Office for National Statistics (ONS)
Note: NNMR is calculated as the number of deaths per 1,000 live births

What happens next?

The Trust will continue to benchmark using both the Office for National Statistics data and the data it gets from the Vermont Oxford Network. The Trust's Effectiveness Senate and ultimately the Board have an overview of the delivery of this work.

Our Priority	No non-cancer related deaths in Gynaecology

What we said we'd do

Mortality data is crucial for all hospitals, and is an important focus of our Gynaecological Oncology service. How we help and deal with our patients who have serious or terminal diseases is so important both in our dealings with the clinical issues around their care, but also in terms of the support and assistance we give to the patients and their families during this time.

We committed in our Quality Strategy to offering palliative end of life care but carefully monitoring to ensure there are no non-cancer related deaths.

What the data shows

Zero non-cancer related deaths in Gynaecology in 2015-16

In 2015-16 there were 13 deaths in the Liverpool Women's Hospital Gynaecology department, out of almost 12,000 admissions. All of these patients were treated by the Gynaecological Oncology team with suspected or terminal Gynaecological cancers.

There was one non-cancer related death in 2014-15 which, as reported in last year's Quality Report, was subject to a Serious Incident Review that concluded the death could not have been avoided.

Data Source: Hospital Episode Submission Data (HES)

What happens next?

All deaths within the hospital, whether cancer-related or not, are reviewed to ensure the appropriate action was taken. The Trust benchmarks its mortality data against peer Trusts using Capita Healthcare Knowledge System (CHKS). We will continue to benchmark in this way to complement the close monitoring of our mortality data internally. The Trust's Clinical Quality Governance Committee and ultimately the Board have an overview of the delivery of this work.

Our Priority	Zero maternal deaths

What we said we'd do

The Trust committed in its Quality Strategy to ensuring there were zero direct maternal deaths at the Trust. A direct maternal death refers to those women whose death is directly related to a complication of pregnancy such a haemorrhage, pre-eclampsia or sepsis Lifestyle factors such as obesity and advanced maternal age are significant contributory factors to complications of pregnancy. With the increased prevalence of these factors within the population the risk of a significant complication is increased.

What the data shows

The direct maternal death recorded in March 2016 was the Trust's first since 2011 and only the second since the Trust opened. The incident is subject to a Serious Incident investigation and the Trust is assisting the Coroner in his investigation.

As well as assessing each individual case very closely, the Trust benchmarks using figures provided from MBRRACE. Their latest national figures for direct maternal deaths of 2.91 per 100,000 indicate the Trust is within the 95% confidence intervals.

Maternal deaths in 2012-13	0	Maternal deaths in 2013-14	0
Maternal deaths in 2014-15	0	Maternal deaths in 2015-16	1

Data Source: Hospital Episode Submission Data (HES)

What happens next?

The Trust will continue to prioritise this indicator with increased delivery of multidisciplinary "fire drills" in high risk areas planned. Furthermore, our work within the Merseyside and Cheshire maternity clinical network develops regional guidelines for the management of severe pre-eclampsia and other pregnancy related conditions that can contribute to mortality.

The Trust takes extremely seriously its duty to ensure positive outcomes for our women and will continue to monitor and maintain this priority in the coming year. The Operational Board monitor this metric with the Trust's Clinical Quality Governance Committee and ultimately the Board having an overview.

Our Priority To reduce the incidence of stillbirths attributed to Small for Gestational Age (SGA) by 20%

What we said we'd do

In many cases when a baby is stillborn there is no intervention that would have affected the outcome. However in those babies whose death has been attributed to them being small for gestational age there is the potential that early detection may have allowed an earlier delivery to be planned.

Sands, the Stillbirth and Neonatal Death Charity, support the adoption of a specialised care package to reduce the incidence of stillbirth. With this in mind the Trust adopted this priority; although we may never be able to prevent all stillbirths it is important to put all processes in place to minimise the number of avoidable deaths.

What the data shows

This is the first year data has been collected for this priority but audit data had suggested that approximately 30% of stillbirths occur in babies who are small for gestational age. In the most recent data available, a 9 month period, there were 14 stillbirths that occurred in babies who were small for gestational age.

Data Source: Hospital Episode Submission Data (HES)

What happens next?

The Trust will continue to monitor this indicator and uses a care bundle involving targeting smoking cessation, a Gap programme (continuation of Individualised Growth charts and targeted scanning for at risk individuals), increased awareness of babies' movements and a fresh eyes approach to monitoring during labour.

The Trust will look to use this year's figures as the starting point and will monitor them for reduction while continuing to submit information on stillbirths nationally as part of our audit work. Local clinicians monitor this priority, reporting regularly on progress to the Trust's Effectiveness Senate with exceptions escalated as necessary, ultimately to the Board.

Our Priority	Introduce the national 'safety thermometer' for maternity services

What we said we'd do

The national maternity "safety thermometer" allows our teams to measure how many of our maternity patients receive care without harm. It also captures details of how often patients are harmed and in what way. The Trust committed to participating in the safety thermometer" as part of our Quality Strategy; this information will help us to improve care and experience for our patients.

What the data shows

The Trust has met this priority. Information about women who have delivered babies is collected on one day each month from clinics, the postnatal delivery ward and in post natal clinics and then submitted.

Data Source: National Safety Thermometer

What is the National Safety Thermometer?

The safety thermometer is a survey instrument for the NHS. This means that, along with the other checks we have at Liverpool Women's, we use it to make certain we are providing a care environment that is free of harm for our patients. If you want to know more you can visit the website at

What happens next?

The Trust will continue to submit information on a monthly basis. This priority is monitored locally with exceptions escalated to the Trust's Governance & Clinical Assurance Committee and, if necessary, ultimately to the Board.

Providing the Best Patient Experience

We have discussed already our priorities for ensuring our patients are safe and receive effective care. However at Liverpool Women's we also know that the experience that our patients have whilst under our care is of great importance. We understand that many of our patients have contact with us at some of the most significant times in their lives; with that in mind it is our ambition to make the experience of everyone who steps through our doors the best that it can possibly be. We also know that this goal of a great patient experience can only be delivered by a workforce who are engaged, competent and motivated to deliver high quality care.

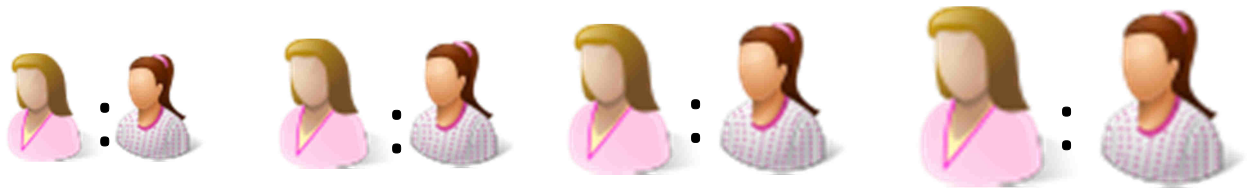
Our Priority	1:1 care in established labour provided to at least 95% of women

What we said we'd do

The importance of support for a woman and her family during established labour and birth cannot be underestimated. Delivering 1:1 care to women in established labour is known to promote a normal birth, reduce intervention and enhance women's birth experiences. Ensuring that at least 95% of our women receive 1:1 care in labour was therefore selected as a priority by the Trust.

What the data shows

The Trust has historically struggled to meet this target. There has been a significant improvement in the last 12 months with the Trust succeeding in meeting this target.



74%	86%	96%	95%
1:1 care in 2013-14	1:1 care in 2014-15	1:1 care in 2015-16	1:1 care Target

Data Source: Meditech

What happens next?

The Trust is committed to ensuring women are supported during their labour. Local clinicians monitor this priority, reporting regularly on progress both within the maternity service and more widely. Exceptions are escalated as necessary to the Experience Senate, and ultimately to the Board.

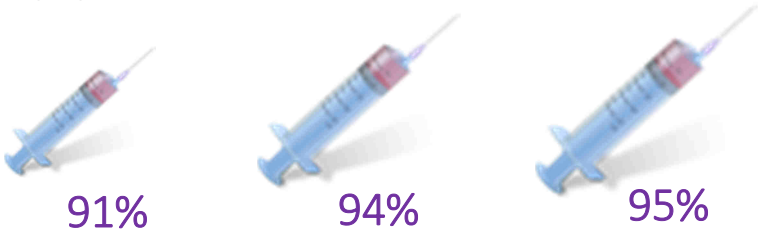
Our Priority	To provide epidural pain relief to at least 95% of women requesting it, where possible and clinically appropriate

What we said we'd do

The provision of an epidural on patient request promotes a sense of safety and trust, if a women reports a less anxious less painful state, she is more likely to achieve the birth she has planned. The inability to provide an epidural for a non-clinical reason creates distress to women and families. The Trust committed to the aim of providing epidural pain relief to at least 95% of women requesting it, where possible and clinically appropriate.

What the data shows

There has been an improvement compared to the 2014-15 figures. However, the Trust has not met its target of 95% against this priority. This is not unexpected as the priority was selected after a deficit had been highlighted in 2013-14.



Data Source: Hospital Episode Submission Data (HES)

What happens next?

The Trust will monitor on a weekly basis the provision of all requested epidurals from women in both the high risk central delivery suite and the low risk midwifery led unit. Weekly reports of the non-provision of an epidural for a non-clinical reason will be provided to departmental managers, matrons and the Head of Midwifery to take action.

Local clinicians monitor this priority, reporting regularly on progress to the local quality meetings. Progress is overseen by the Effectiveness Senate with exceptions escalated as necessary, ultimately to the Board.

Our Priority	To be in the upper quartile of Patient Surveys across all pathways

What we said we'd do

Although it is mandatory for Trusts to implement Friends and Family for Inpatients, Accident and Emergency (Emergency Room) and Maternity, the decision was taken to implement across all areas of Liverpool Women's. The priority for the Trust is to be in the upper quartile for this test.

What is the Friends & Family Test?

The Friends and Family Test is the nationally recommended method of getting patient feedback. It asks people whether they would recommend the service they have used to their friends and family. It allows us to receive feedback on both good and poor patient experiences. The feedback gathered is used to stimulate local improvement and empower staff to carry out the sorts of changes that make

What the data shows

In 2015-16 98% of those responding to the survey said they would recommend Liverpool Women's to their friends and family. This is a slight increase on the 96% that recommended the Trust in 2014-15. The upper quartile was 97% meaning we successfully met this priority.

96%

2014-15

98%

2015-16

97%

Upper Quartile of all Trusts

Data Source: NHS England

What happens next?

Each of the individual service areas own and manage their own results locally. This allows managers to receive details of feedback in their area and to provide staff with local targeted feedback and make changes and improvements particular to their area. It also allows the Trust to celebrate our successes with individual staff named in positive feedback.

The Friends and Family Test results are reported at the local Quality Improvement forum and in a standardised format dashboard at the Trust Patient Experience Senate. This is fed into the Governance and Clinical Assurance Committee with exceptions escalated as necessary, ultimately to the Board.


DR CHRIS
DEWHURST

Priorities for Improvement in 2016-17

As has been outlined in the report so far, the Trust has 3 clearly defined quality goals; to reduce harm, to reduce mortality and to provide the best patient experience. You have seen already how we have performed during 2015-16; the tables below set out what our priorities will be in the coming 12 months.

Our priorities are a combination of national and local issues and wherever possible are identified by as wide a range of stakeholders as possible; this includes patients, their families, the wider public, our staff and commissioners. The priorities are driven by the Trust's Quality Strategy and will allow us to achieve our vision of being the recognised leader in healthcare for women, babies and their families

To Reduce Harm

Core Principle : Safety

Improvement Priority	Why is this important & how is it measured
To reduce the number of elective surgical site infections in gynaecology to an average of 3 per calendar month	Post-operative infections can provide a marker as to the effectiveness of our care of patients before during and after operations. This will be measured using Hospital Episodes Submission (HES) data.
To work to cleanse data for emergency patients and determine underlying infection complication rates	High quality, cleansed data will allow clinicians to improve patient safety. This will be measured using data from the Infection Control Department.
To achieve zero MRSA infections	The Trust takes extremely seriously its duty to prevent infection and provide care in a safe environment. This will be measured using data from the Infection Control Department.
To achieve zero Clostridium-difficile (C-diff) infections	The Trust takes extremely seriously its duty to prevent infection and provide care in a safe environment. This will be measured using data from the Infection Control Department.
To achieve a rate of late-onset bloodstream infections in preterm infants below 0.5 infections per 100 very low birth weight intensive care and high dependency days	Limiting the number of babies who acquire infection we can impact on short and long-term clinical outcomes. This will be measured using data from the Vermont Oxford Network.
To achieve a proportion of preterm babies who develop a late-onset bloodstream infection below the median benchmarked against the Vermont Oxford Network (VON)-UK	Limiting the number of babies who acquire infection we can impact on short and long-term clinical outcomes. This will be measured using data from the Vermont Oxford Network.
To reduce the incidents of babies born with Grade 2/3 Hypoxic Ischaemic Encephalopathy by 50% over 3 years	The prognosis for babies born with HIE can be severe. This will be measured using data from the Trust's Badger system.
To reduce the number of very low birth weight	By benchmarking our rates with the Vermont Oxford Network

babies who have ultrasound evidence of periventricular haemorrhage (grade 3 or 4) or periventricular leukomalacia to be in the lowest quartile of benchmarking peers	we are able to ensure that babies in our unit receive treatment comparable with the best available.
To increase reporting of all medication error incidents by 10% quarter on quarter (~16% in year) to enable identification and resolution of causal factors	Improving the reporting culture and having the correct processes to review and learn can have a positive impact on patient safety. This will be measured using data from the Trust's Ulysses system.
To ensure that all medication incidents rated at 10 or above are subject to a Root Cause Analysis	This will capture and implement learning and reduce the number of serious medication error incidents. It will be measured on the Trust's Ulysses system.
To ensure that no more than 10% of live births are multiples	The Human Fertilisations & Embryology Authority (HFEA) sets a 10% target in its drive to reduce the number of multiple births arising from fertility treatment. This priority will be measured using the HFEA's data.

To Reduce Mortality

Core Principle : Effectiveness

Improvement Priority	Why is this important & how is it measured
To deliver our risk adjusted neonatal mortality within 1% of the national Neonatal Mortality Rate	This will ensure the quality of care we provide is of the highest quality, it will be monitored using local data along with information from the Office of National Statistics
No non-cancer related deaths in Gynaecology	Mortality data is crucial for all hospitals in identifying shortcomings in care. This will be measured using HES data.
Zero maternal deaths	Mortality data is crucial for all hospitals in identifying shortcomings in care. This will be measured using HES data.
To reduce the incidence of stillbirths attributed to Small for Gestational Age (SGA) by 20%	Stillbirth in babies who are SGA is potentially preventable through early intervention. This priority will be measured using HES data.
Introduce the national 'safety thermometer' for maternity services	The safety thermometer helps makes certain a care environment is free from harm. This will be measured using information from the National Safety Thermometer

To Provide the Best Patient Experience

Core Principle : Experience

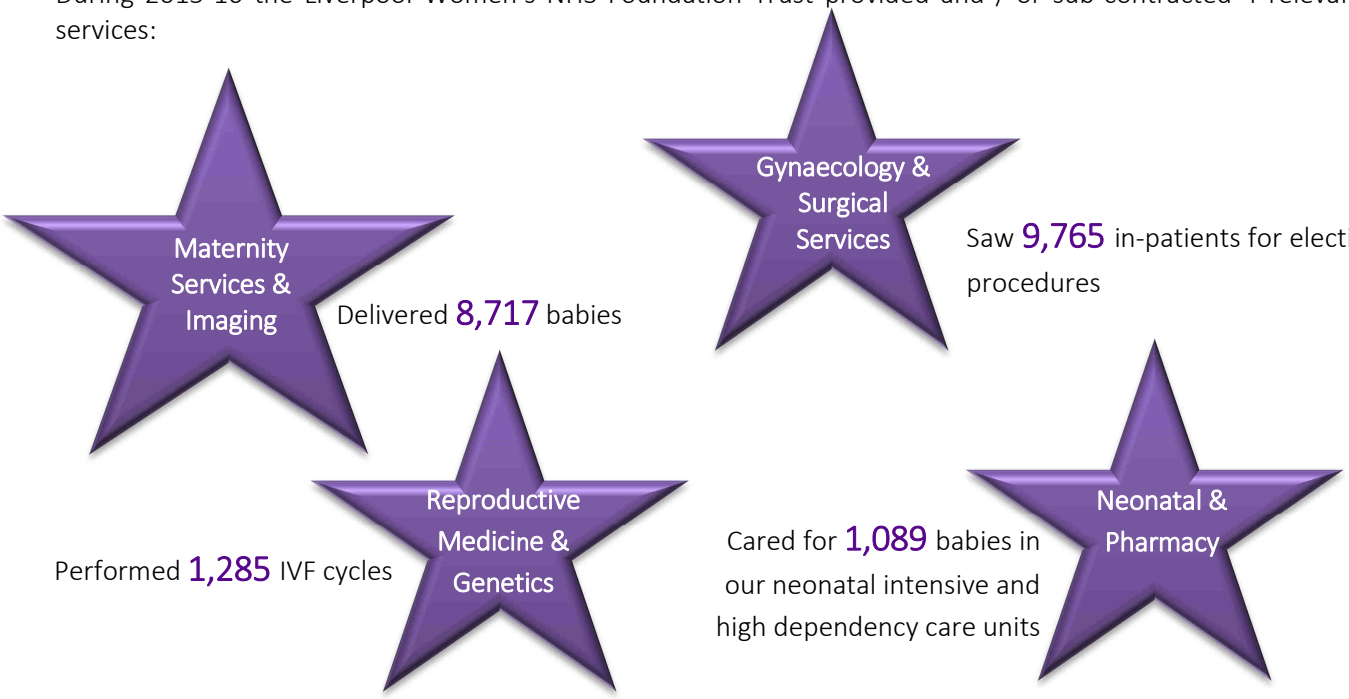
Improvement Priority	Why is this important & how is it measured
1:1 care in established labour provided to at least 95% of women	Providing 1:1 Care during labour helps support a woman and her family. This priority will be measured using the Trust's Meditech system.
To provide epidural pain relief to at least 95% of women requesting it, where possible and clinically appropriate	Provision of an epidural on request promotes safety and trust. This priority will be measured using HES data.
To be in the upper quartile of Patient Surveys across all pathways	Listening to feedback helps us respond to patient concerns and informs us when we make decisions about how our services are provided. This priority will be measured using data from NHS England.

Statements of Assurance

The Trust is required to include statements of assurance from the Board. These statements are nationally requested and are common across all NHS Quality Accounts.

Review of Services

During 2015-16 the Liverpool Women's NHS Foundation Trust provided and / or sub-contracted 4 relevant health services:



The Liverpool Women's NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2015-16 represents 100% of the total income generated from the provision of relevant health services by the Liverpool Women's NHS Foundation Trust for 2015-16.

Participation in Clinical Audit

During 2015-16 4 national clinical audits and 3 national confidential enquiries covered relevant health services that Liverpool Women's NHS Foundation Trust provides. During 2015-16 Liverpool Women's NHS Foundation Trust participated in 100% of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Liverpool Women's NHS Foundation Trust was eligible to participate in during 2015-16 are as follows in the table below. The national clinical audits and national

confidential enquiries that Liverpool Women's NHS Foundation Trust participated in during 2015-16 are as follows in the table below.

The national clinical audits and national confidential enquiries that Liverpool Women's NHS Foundation Trust participated in, and for which data collection was completed during 2015-16, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Relevant National Clinical Audits	Did the Trust participate?	Cases Submitted
Neonatal Intensive and Special Care (NNAP)	✓	100%
National Comparative Audit of Blood Transfusion Programme – Audit of Patient Blood Management in Scheduled Surgery	✓	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Perinatal Mortality	✓	100%
National Pregnancy in Diabetes Audit (NPID)	✓	26%

Relevant National Confidential Enquiries	Did the Trust participate?	Cases Submitted
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Maternal Deaths	✓	100%
Mental Health Study	✓	100%
Sepsis	✓	No applicable cases

The reports of 4 national clinical audits were reviewed by the provider in 2015-16 and Liverpool Women's NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

National Clinical Audits	Actions Taken
Neonatal Intensive and Special Care (NNAP)	• The Trust noted that nearly 90% of mothers received at least one dose of antenatal steroid against an expected standard of 85%. • There remain some data issues as Liverpool Women's had a stand-alone Badger 3 system • This system was not fully compatible with the national system. • The Unit has now migrated from the "Badger 3" system to a "Badgernet full EPR" system
National Comparative Audit of Blood Transfusion Programme – Audit of Patient Blood Management in Scheduled Surgery	• Enhanced training is now in place to improve awareness of the blood transfusion policy.
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Perinatal Mortality	• Following publication of the report in June the information was disseminated to staff at the GREAT day meeting and the perinatal mortality meeting. • Local practice is being reviewed against the latest national benchmarks.
National Pregnancy in Diabetes Audit (NPID)	• The audit has been added to the Trust's 2016-17 Forward Plan to ensure continued improvement.

The reports of 57 local clinical audits were reviewed by the provider in 2015-16 and Liverpool Women's NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. This is a selection of key actions that have improved healthcare or made a difference to patients as a result of local clinical audit; they are those we feel are most relevant from our Clinical Audit programme this year.

Reduced Fetal Movements

A reduction or change in fetal movements is an important finding as evidence suggests it is a warning sign of possible fetal death and poor perinatal outcome. An audit performed in 2013 showed poor compliance with the Trust's clinical guideline. As part of the Trust's Stillbirth Task Force Initiative to reduce preventable stillbirth the Trust re-audited this year and found no areas of non-compliance. Knowledge of the reduced fetal movement pathway is good and documentation is being completed correctly for patients who attend the Maternal Assessment Unit with an episode of reduced fetal movements. Importantly the stillbirth rate has reduced in the Trust from 2014 to 2015.

Elective Caesarean Section with Enhanced Recovery

Following an initial service evaluation a multidisciplinary enhanced recovery pathway was introduced. Compliance with the pathway was audited and a wide range of preoperative, intraoperative and postoperative data was collected. It demonstrates that pre-operative fasting times reduced, the degree of ketonuria was significantly reduced and post-operative discharge on day 1 increased. There was also evidence of earlier mobilisation and catheter removal and subsequent decrease in length of hospital stay.

World Health Organisation (WHO) Checklist

Following the results of the audit we have re-designed our local checklist in an effort to make it easier for essential questions to be completed. This includes a shorter, more concise area to be completed in instances of category 1 emergency caesarean section. Documentation of the WHO checklist for all surgical procedures has now become electronic which will enable continuous 'live' monitoring and reporting of compliance. We have also implemented continuous observational monitoring of the quality of completion.

Ovarian Hyper Stimulation Syndrome (OHSS)

Several changes in clinical practice have been introduced informed by the findings of the audit. These include the use of cabergoline in well stimulated Buserelin cycles, the introduction of Antral Follicle Count (AFC) at preliminary and baseline scans, reducing the starting dose when AFC is high and the reintroduction of Anti-Mullerian Hormone (AMH) screening. In addition, identification of admissions for OHSS has been improved by amending the patient information sheet.

What is Clinical Audit?

Clinical audit is a quality improvement cycle that involves measurement of the effectiveness of healthcare against agreed and proven standards for high quality, and taking action to bring practice in line with these standards so as to improve the quality of care and health outcomes.

The Trust annually prepares a Clinical Audit Programme. This programme prioritises work to support learning from serious incidents, risk, patient complaints and to investigate areas for improvement. The results of all audits, along with the actions arising from them, are published on the Trust's intranet to ensure all staff are able to access and share in the learning.

Participation in Clinical Research

During 2015-16 we have continued our efforts to contribute to quality National Institute for Health Research (NIHR) studies and to maintain our subsequent numbers of NIHR recruitment accruals.

The number of patients receiving relevant health services provided or sub-contracted by Liverpool Women's NHS Foundation Trust in 2015-16 that were recruited during that period to participate in research approved by a research ethics committee was 2,276, of which, 1,452 were recruited into NIHR portfolio studies.

Liverpool Women's was involved in conducting 116 clinical research studies across our speciality areas of maternity, neonates, gynaecology oncology, general gynaecology, reproductive medicine and genetics during 2015-16. At the end of 2015-16 a further 21 studies were in set up.

There were 84 clinical staff contributing to research approved by a research ethics committee at Liverpool Women's during 2015-16. These staff contributed to research covering a broad spectrum of translational research from basic research at the laboratory bench, through early and late clinical trials, to health systems research about healthcare delivery in the community.

Our research has contributed to the evidence-base for healthcare practice and delivery, and in the last year, 70 publications have resulted from our involvement in research, which shows our commitment to transparency and desire to improve patient outcomes and experience across the NHS.

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

A proportion of Liverpool Women's NHS Foundation Trust's income in 2015-16 was conditional upon achieving quality improvement and innovation goals agreed between Liverpool Women's NHS Foundation Trust and any other person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. The main areas covered by the framework are:

- Friends and Family Test
- NHS Safety Thermometer
- Dementia
- Maternity Bundle
- Cancer
- Effective Discharge Planning in Maternity
- Electronic Discharge Summaries
- ILINKS Transformation Programme

Further details of the agreed goals for 2015-16 and for the following 12 month period are available electronically at: www.liverpoolwomens.nhs.uk/About_Us/Quality_and_innovation.aspx.

The total monetary value of the income in 2015-16 conditional upon achieving quality improvement and innovation goals was £1,977,598. The monetary total for the associated payment in 2014-15 was £1,955,007.

Care Quality Commission

Liverpool Women's NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is "registered without conditions".

The Care Quality Commission has not taken enforcement action against Liverpool Women's NHS Foundation Trust during 2015-16.

Liverpool Women's NHS Foundation Trust has not participated in special reviews or investigations by the Care Quality Commission during the reporting period.

What is the Care Quality Commission?

The Care Quality Commission (CQC) undertakes checks to ensure that Trusts are Safe, Caring, Responsive, Effective and Well-led. All NHS Trusts are required to register with them. If the CQC has concerns about a Trust it can issue a warning notice or even suspend or cancel a Trust's registration.

When Liverpool Women's was last formally inspected, in February & March 2015, the CQC had no concerns and rated it as "Good". Full results are shown in the table that follows:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Maternity (inpatient services)	Requires improvement	Good	Good	Good	Good	Good
Maternity (community services)	Requires improvement	Not rated	Good	Good	Requires improvement	Requires improvement
Surgery (gynaecology)	Requires improvement	Good	Good	Good	Good	Good
Termination of pregnancy	Good	Good	Good	Good	Good	Good
Neonatal services	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Outpatients and diagnostic imaging	Good	Not rated	Good	Good	Good	Good
Overall	N/A	N/A	N/A	N/A	N/A	Good

Liverpool Women's agreed an Action Plan with the CQC to address those areas that they felt could be further enhanced. This Action Plan was subsequently signed off as complete by the CQC.

Data Quality

Liverpool Women's NHS Foundation Trust submitted records during 2015-16 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was:

98.9% for admitted patient care,

99.3% for outpatient care,

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

99.9% for admitted patient care,

99.8% for outpatient care,

This is important because the patient NHS number is the key identifier for patient records while accurate recording of the patient's General Medical Practice Code is essential to enable the transfer of clinical information about the patient from a Trust to the patient's General Practitioner.

Liverpool Women's NHS Foundation Trust will be taking the following actions to improve data quality : a monthly data quality sub-committee, data quality report reviews and a robust data quality audit plan.

Information Governance

Liverpool Women's NHS Foundation Trust's Information Governance Assessment report overall score for 2015-16 was 74% and was graded "Green - Satisfactory".

Clinical Coding

Liverpool Women's NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2015-16 by the Audit Commission.

Duty of Candour

The Francis Inquiry report into Mid Staffordshire NHS Foundation Trust recommended that a statutory duty of candour be introduced for health and care providers. This is further to the contractual requirement for candour for NHS bodies in the standard contract, and professional requirements for candour in the practice of regulated activity.

In interpreting the regulation on the duty of candour Liverpool Women's NHS Foundation Trust use the definitions of openness, transparency and candour used by Robert Francis in his report. The thresholds and harm definitions of moderate and severe harm are consistent with existing National Reporting and Learning System (NRLS) definitions,

including prolonged psychological harm. The Trust records all instances in which it applies duty of candour on its Ulysses Risk Management system.

Sign up to Safety

Liverpool Women's is at the forefront of the national "Sign up to Safety" campaign. This campaign focuses on the reduction of avoidable harms. We launched projects in November 2015 that aim to reduce avoidable harm by 50% in 3 years by reducing the incidents of babies born with Grade 2/3 Hypoxic Ischaemic Encephalopathy and reducing the incidence of sepsis.

The Trust publishes regular updates on the progress of its Sign up to Safety Projects, the following address: http://www.liverpoolwomens.nhs.uk/About_Us/Sign_up_to_Safety.aspx where the overall Trust Improvement Plan is also available.

NHS Staff Survey

All Trusts are asked to include NHS Staff Survey results for showing the percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months and the percentage believing that trust provides equal opportunities for career progression or promotion.

Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months

Trust Score	National Average	Highest National Score	Lowest National Score
20%	23%	28%	15%

Percentage of staff believing that trust provides equal opportunities for career progression or promotion

Trust Score	National Average	Highest National Score	Lowest National Score
91%	88%	94%	81%

Reporting against Core Indicators

All NHS Trusts contribute to national indicators that enable the Department of Health and other organisations to compare and benchmark Trusts against each other. As a specialist Trust, not all of them are relevant to Liverpool Women's. This section of the report gives details of the indicators that are relevant to this Trust with national data included where it is available.

28 Day Readmission Rates

The first category of patients benchmarked nationally is those aged 0-15. The Trust admits fewer than 10 patients in this age category each year and so benchmarking of readmissions with other Trusts is not of any meaning.

The table below shows the percentage of patients aged 16 and above who were readmitted within 28 days:

Trust This Year	Trust Last Year	National Average	Highest National Score	Lowest National Score
9.85%	7.11%	11.45%	17.15%	0%

Liverpool Women's considers that this data is as described for the following reasons: readmission rates can be a barometer of the effectiveness of all care provided by a Trust. Liverpool Women's is committed to providing effective care and has had this metric independently audited in 2013 and 2014.

Liverpool Women's intends to take the following actions to improve this indicator and so the quality of its services: continue to monitor the effectiveness of surgical and post-operative care using this indicator.

Staff who would recommend the Trust to their family or friends

All Trusts are asked to record the percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the trust as a provider of care to their family or friends. The table below shows how Liverpool Women's compares with other specialist Trusts nationally:

Trust This Year	Trust Last Year	National Average	Highest National Score	Lowest National Score
80%	73%	89%	93%	80%

Liverpool Women's considers that this data is as described for the following reasons: although below the national average when measured against Specialist Trusts, Liverpool Women's performs more favourably if grouped with other Acute Trusts

Liverpool Women's intends to take the following actions to improve this indicator and so the quality of its services: make the question a standard item at team meetings, continue to host monthly 'In the Loop' sessions, conduct focus groups in departments where the number of staff recommending the Trust is particularly low, measure staff feedback using the Trust's Pulse Survey.

Venous Thromboembolism (VTE)

All Trusts are asked to record the number of patients receiving a VTE assessment expressed as a percentage of eligible 'ordinary' admissions. The table below shows how Liverpool Women's compares nationally:

Trust This Year	Trust Last Year	National Average	Highest National Score	Lowest National Score
98%	97%	96%	100%	79%

Liverpool Women's considers that this data is as described for the following reasons: the Trust has well established processes for assessing patients' risk of VTE and consistently performs above average.

Liverpool Women's intends to take the following actions to improve this indicator and so the quality of its services: review cases where assessment has not taken place and provide education to staff, improving performance and reducing the potential for harm for patients.

Clostridium Difficile

All Trusts are asked to record the rate of Trust apportioned C.Difficile per 100,000 bed days. The table below shows how Liverpool Women's compares nationally:

Trust This Year	Trust Last Year	National Average	Highest National Score	Lowest National Score
0	2.6	15.1	62.2	0

Liverpool Women's considers that this data is as described for the following reasons: the Trust takes extremely seriously its duty to prevent infection and provide care in a safe environment.

Liverpool Women's intends to take the following actions to improve this indicator and so the quality of its services: all cases will continue to be reported to the infection control team, will have a root cause analysis and will be reported nationally. The Trust will also review its range of interventions to ensure they remain fit for purpose.

Patient Safety Incidents

All Trusts are asked to record their rate of patient safety incidents per 1,000 bed days. The table below shows how Liverpool Women's compares nationally:

Trust This Year	Trust Last Year	National Average	Highest National Score	Lowest National Score
85	-	44	109	16

Liverpool Women's considers that this data is as described for the following reasons: the Trust has a strong culture of incident reporting.

Liverpool Women's intends to take the following actions to improve this indicator and so the quality of its services: revise and reissue its Policy for Reporting and Managing Incidents, continue to promote incident reporting, revise delivery of training.

All Trusts are asked to record the percentage of reported incidents that result in severe harm or death. The table below shows how Liverpool Women's compares nationally:

Trust This Year	Trust Last Year	National Average	Highest National Score	Lowest National Score
1.1%	1.2%	0.5%	4.2%	0%

Liverpool Women's considers that this data is as described for the following reasons: the Trust has a strong learning culture and encourages the reporting of incidents.

Liverpool Women's intends to take the following actions to improve this indicator and so the quality of its services: ensure that all incidents where patients have suffered severe harm or death are reported externally and undergo a full investigation to identify the causes. This supports learning and identifies necessary changes in practice.

Part 3

Other Information

Performance against Key National Priorities and National Core Standards

Monitor's Risk Assessment Framework sets out their approach to overseeing NHS Foundation Trusts' compliance with the governance and continuity of service requirements of the Foundation Trust licence. This section of the report shows our performance against the indicators Monitor set out in this framework, unless they have already been reported in another part of this report.

The Trust has successfully met all targets in 2015-16. Positive progress in a number of areas is highlighted including the 18 week referral to treatment admitted and incomplete target and 100% compliance against all cancers: one month diagnosis to treatment (subsequent surgery). There has also been an increase in the overall staff engagement score.

Indicator	Target	2015-16 Performance	Target Met?	2014-15	2013-14
18 week Referral to treatment times: admitted (all Specialties)	90%	97.0%	Yes	95.6%	97.6%
18 week Referral to treatment times: non-admitted (all Specialties)	95%	95.5%	Yes	95.6%	95.4%
18 week referral to treatment times: Incomplete Pathways (A)	92%	95.2%	Yes	93.6%	94.7%
All cancers: two week wait	93%	95.9%	Yes	96.4%	97.6%
All cancers: one month diagnosis to treatment (first definitive)	96%	99.7%	Yes	97.5%	98.4%
All cancers: one month diagnosis to treatment (subsequent surgery)	94%	100%	Yes	99.1%	98.7%
All cancers: one month diagnosis to treatment (subsequent drug)	98%	-	Yes	-	-
All cancers: two month diagnosis to treatment (GP referrals) (A)	85%	87.2%	Yes	88.7%	87.0%
All cancers: two month diagnosis to treatment (screening referrals)	90%	100%	Yes	100%	100%
NHS Staff satisfaction: Overall staff engagement	3.74	3.86	Yes	3.74	3.73
Total time in Accident & emergency (% seen within 4 hours)	95%	99.1%	Yes	99.9%	99.8%

(A) These indicators have been subject to additional assurance procedures by the Trust's external auditor - These indicators have standardised national definitions. Due to the complexity of the pathways and the reasons for referrals into the Trust, the reported data may include pathways which may not be RTT applicable and/or may on occasion potentially exclude RTT pathways. As a consequence of the specialist services LWH delivers, patients are often referred to the Trust towards the end of the patient pathway. This can result in referrals being received with missing information.

Annex 1: Statements from our Partners

Liverpool Women's shares its Quality Report with commissioners, local Healthwatch organisations and Local Authority Overview and Scrutiny Committees. This section of the report details the responses and comments we have received from them.

Halton Clinical Commissioning Group

NHS Halton CCG is linked to Contract Quality Group, which scrutinises the key quality indicators in the Quality Schedule and CQUINs which is led by Liverpool CCG as the co-ordinating commissioner; these are proving to be both effective and useful.

NHS Halton congratulates the Trust on the delivery of leading edge research and development programmes across all areas of care the trust delivers. The CCG would like to compliment the trust on the use of service vignettes within the Quality Report. The Trust is also to be commended on its programme of engagement to develop quality priorities and gain user views.

NHS Halton CCG notes that the Trust has made progress in the delivery of its quality priorities and the successful implementation of the Safety Thermometer for Maternity Services.

We look forward to working with the co-ordinating Commissioner and the Trust through 2016/17, helping to improve the quality of services for our patients through the NHS contractual mechanisms and the review and ensuring lessons are learnt throughout the Trust.

Yours sincerely

Jan Snodden
Chief Nurse / Quality Lead
11 May 2016

Halton Borough Council

Further to receiving a copy of your draft Quality Accounts, I am writing with the Health Policy and Performance Board comments. The Health Policy and Performance Board particularly noted the following key areas:

As a general comment, the Quality Account report is in a much easier to read format and the Board appreciate the glossary of terms at the end of the document.

The Board was pleased to note the Trust achieving "good" from a recent Care Quality Commissions (CQC) inspection.

During the year 2015/16 the Trust identified priorities and the Board noted the following:

- 1:1 care in established labour provided to >=95% of women – the Board is pleased to note that there has been another increase in this area and that the target has now been achieved, especially as in previous years it has been a difficult target to meet.

- To be in the upper quartile of Patient Surveys across all pathways (Friends & Family Test – In patients) – the Board is pleased to see the continued high percentage of patients that would recommend the Trust to others.

The Board are pleased to note the following Improvement Priorities for 2016 – 2017:

- To reduce harm, including:
- To achieve zero MRSA infections;

- To ensure that all medication incidents rated at 10 or above are subject to a Root Cause Analysis;
- To ensure that no more than 10% of live births are multiples

- To reduce mortality in:
- Neonates
- Gynaecology
- Maternity (including maternal death & stillbirth).

- To provide the best patient experience.

In addition to these, the Board would be pleased to see more of a focus on Dignity.

The Board would like to thank Liverpool Women's Foundation Trust for the opportunity to comment on these Quality Accounts.

Councillor Joan Lowe
Chair, Health Policy and Performance Board
5 May 2016

Healthwatch Liverpool

Healthwatch Liverpool is pleased to have the opportunity to comment on the 2015 – 2016 Quality Account for Liverpool Women's NHS Foundation Trust. This commentary relates to the contents of a draft Quality Account document that was made available to Healthwatch prior to its publication.

The document has a clear layout and includes a glossary of terms. The insertion of text boxes explaining specific terms throughout the Quality Account is helpful and makes it easier to understand. It sets out the priorities the Trust set itself for 2015-16: to reduce harm, to reduce mortality, and to provide the best patient experience. Details about the Trust's performance for all these priorities are provided within the report.

As one of only two specialist women's hospitals in England, the Trust rightly states that some of its outcomes are difficult to compare, however Healthwatch is pleased that the Trust introduced the National Safety Thermometer for maternity services, as this is one of several ways in which to measure the level of harm-free care that is provided by the Trust.

Although certain targets the Trust set itself were not met, Healthwatch gains the overall impression that the Trust is continuing to improve, for example in gynaecology the number of infections after patients underwent elective surgery continued to go down, and the Trust continued to have zero Clostridium-difficile infections. However, after several years of zero MRSA infections, the Trust did report one MRSA infection this year.

The report states that actions were put in place to increase the reporting of medication errors, and an increase was noted this year, although below the target that the Trust had set itself. According to the report no serious harms occurred as a result of medication errors, however Healthwatch believes it is positive that the Trust is focusing on this as one of its priorities, to support a culture of transparency where lessons can be learnt from mistakes.

The Trust also set itself a target of providing one-to-one care to 95% of women who are in established labour, and Healthwatch is pleased to see that this target was met, noting the improvements especially when comparing the figures to previous years.

Healthwatch was pleased that the Care Quality Commission (CQC) rated the Trust as 'good' overall in 2015, and that a high level of positive patient feedback was received through the Friends and Family Test.

Healthwatch is aware that the Trust and the commissioners who plan its services are looking at the future of local women's health services, and looks forward to an ongoing engagement with patients and the wider public about this during the coming year.

In future, Healthwatch would welcome some information in the Quality Account about the ongoing work that the Trust carries out to ensure its services are equally accessible to all patients. Healthwatch Liverpool is looking forward to ongoing regular engagement with the Trust in 2016-17 in order to be able to monitor the progress of quality and equality considerations.

Healthwatch Liverpool
16 May 2016

Healthwatch Sefton

Healthwatch Sefton welcomes the opportunity to comment on the draft Quality Account.
In terms of readability, icons are used and descriptors (What is…?) boxes are included throughout the account helping the reader to understand the narrative. Numbers to accompany percentages would be useful to help the reader.

The work to reduce harm is noted and the achievement over the past 12 months of 0.45% surgical site infections in gynaecology per month against a target of 3, shows how the Trust is working to ensure harm to patients is reduced through infection.

It was disappointing that there was 1 recorded MRSA infection during 2015/16 against the 'zero' target but it is good to see that enhanced surveillance and training is in place and the target to achieve zero MRSA infections is a priority for 2016-17. The Trust has successfully worked to ensure that there were no recorded Clostridium difficile infections.

Work to ensure 'zero' non cancer deaths in Gynaecology in 2015-16 was achieved however there was one recorded maternal death during the same period. We note that this was the first recorded death since 2011 and only the second since the Trust opened.

The target of ensuring that at least 95% of women receive 1:1 care in established labour was exceeded (96%). We highlight this as previously this is an area which the Trust has struggled to meet.

The target of being in the upper quartile of patient surveys across all pathways relates to the mandatory Friends and Family Test. This was successfully met (97%). Within the account it states that each individual service area owns and manages their results locally. We would be interested to know if each area inputs its own data onto the system and if so how this is monitored. It would have been useful within the account to have some examples of how data has been used to identify improvement areas. The trust is below average for the % of staff who would recommend the Trust to their friends and family and the reasons provided are noted. It would be good to receive updates from the Trust on this area.

The improvement priorities for patient experience (2016-17), remain the same. With 2 of the 3 being successfully met during 2015-16, it would have been good to see some further stretch targets put in place. It would also have been constructive to see information relating to Equality and Diversity integrated more into this account. During this period we have raised a concern about equity of services which has been reviewed by the Trust.

In our previous commentary, we noted the introduction of the patient experience senate. Healthwatch Sefton has met with the Head of Communications, Marketing and Engagement and the lead for patient experience during this period and hope that the coming year provides the opportunity for some joint work. It would be good to see Healthwatch Sefton as a partner at the senate. We are monitoring the developments of work taking place to shape the future of women's services for Liverpool and will be a keen stakeholder ensuring Sefton residents have opportunities to engage and are consulted.

Healthwatch Sefton
13 May 2016

Annex 2: Statement of Directors' Responsibilities

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

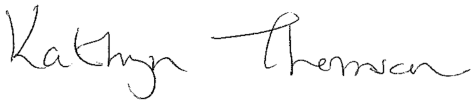
Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

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

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
    - Board minutes and papers for the period April 2015 to May 2016
    - Papers relating to Quality reported to the board over the period April 2014 to May 2016
    - Feedback from the commissioners dated 12/04/2016
    - Feedback from governors dated 24/02/2016
    - Feedback from Local Healthwatch organisations dated 26/05/2016
    - Feedback from Overview and Scrutiny Committee dated 23/05/2016
    - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016
    - The latest national patient survey, published February2016
    - The 2015 national staff survey
    - The Head of Internal Audit's annual opinion over the trust's control environment dated 21/03/2016
    - CQC Intelligent Monitoring Report dated May 2015
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

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

By order of the Board.



Robert Clarke
Chair
20 May 2016

Kathryn Thomson
Chief Executive
20 May 2016

Annex 3: External Auditor's Limited Assurance Report

Independent Auditors' Limited Assurance Report to the Council of Governors of Liverpool Women's Hospital NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Liverpool Women's Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Liverpool Women's Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2016 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter
The indicators for the year ended 31 March 2016 subject to limited assurance (the "specified indicators") marked with the symbol Ⓐ in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

Specified Indicators	*Specified indicators criteria*
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period ("Incomplete Pathways")	In line with the definition included within Monitor's 'Detailed guidance for external assurance on quality reports 2015/16" Annex C (page 20)
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	In line with the definition included within Monitor's 'Detailed guidance for external assurance on quality reports 2015/16" Annex C (page 23)

Respective responsibilities of the Directors and auditors
The Directors are responsible for the content and the preparation of the Quality Report in accordance with the specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports 2015/16" issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2015/16";
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "2015/16 Detailed guidance for external assurance on quality reports".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports 2015/16; and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the following documents:

- Board minutes and papers for the period April 2015 to May 2016;
- Papers relating to Quality report reported to the Board over the period April 2015 to May 2016;
- Feedback from the Commissioners, Liverpool Clinical Commissioning Group dated 12/04/2016;
- Feedback from Governors dated 24/02/2016;
- Feedback from Local Healthwatch organisations, Healthwatch Liverpool and Healthwatch Sefton dated 26/05/2016;
- Feedback from Halton Overview and Scrutiny Committee dated 05/05/2016;
- Draft version of the Trust's complaints report to be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, received 19/05/2016;
- The latest national and local patient survey published in February 2016;
- The latest national and local staff survey published in February 2016;

- The Head of Internal Audit's annual opinion over the Trust's control environment dated 21/03/2016; and
- CQC Intelligent Monitoring Report dated May 2015.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

Our Independence and Quality Control
We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use and distribution of the report
This report, including the conclusion, has been prepared solely for the Council of Governors of Liverpool Women's Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Liverpool Women's Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Liverpool Women's Hospital NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed
We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and "Detailed requirements for quality reports 2015/16";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations
Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may

change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM the "Detailed requirements for quality reports 2015/16 and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts/organisations/entities.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Liverpool Women's Hospital NHS Foundation Trust.

Basis for Disclaimer of Conclusion – Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

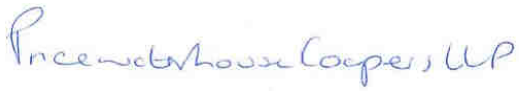
The Trust reports monthly to Monitor on the Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways indicator, based on the waiting time of each patient who has been referred to a consultant but whose treatment is yet to start. The Incomplete Pathways indicator is calculated each month based on a snapshot of incomplete pathways and reported through the Unify2 portal. The data reported is subsequently updated for any identified errors through a monthly validation process. However, the data is not reviewed and corrected consistently throughout the year. The Foundation Trust was not able to provide final accurate and complete data to check the waiting period from referral to treatment reported across the year. As a result, we have been unable to access accurate and complete data to check the waiting period from referral to treatment reported across the year.

Conclusion (including disclaimer of conclusion on the Incomplete Pathways indicator)

Because the data required to support the indicator is not available, as described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to form a conclusion on the Incomplete Pathways indicator.

Based on the results of our procedures, nothing else has come to our attention that causes us to believe that for the year ended 31 March 2016,

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2015/16";
- The Quality Report is not consistent in all material respects with the documents specified above; and
- the 'Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers' indicator has not been prepared in all material respects in accordance with the Criteria and the six dimensions of data quality set out in the "Detailed guidance for external assurance on quality reports 2015/16".



PricewaterhouseCoopers LLP
Manchester
26 May 2016

The maintenance and integrity of the Liverpool Women's Hospital NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Annex 4: Glossary of Terms

Assisted Conception	The use of medical procedures to produce an embryo.
CCG	Clinical Commissioning Group – Local groups of GP practices commissioned health services from the Trust for their patients.
C-Diff	Clostridium difficile - bacteria that are present in the gut.
Epidural	Form of regional analgesia used during childbirth.
Established Labour	The period from when a woman is 4 cms dilated and contracting regularly.
Gynaecology	Medical practice dealing with the health of the female reproductive system.
Gynaecological Oncology	Specialised field of medicine that focuses on cancers of the female reproductive system.
Haemorrhage	The flow of blood from a ruptured blood vessel.
HES	Hospital Episodes Submission.
HFEA	Human Fertilisation & Embryology.
HIE	Hypoxic Ischaemic Encephalopathy is an acute disturbance of brain function caused by impaired oxygen delivery and excess fluid in the brain.
HSCIC	Health and Social Care Information Centre.
Intraventricular Haemorrhage	Bleeding within the ventricles of the brain.
Intrapartum	Occurring during labour and delivery.
LWFT (sometimes LWH)	Liverpool Women's NHS Foundation Trust.
Maternity	The period during pregnancy and shortly after childbirth.
MBRRACE -UK	Mother and Baby Reducing Risks through Audits & Confidential Enquiries across the UK.
MRSA	Meticillin Resistant Staphylococcus Aureus – a bacterium resistant to treatment with the antibiotic Meticillin.
Neurological	The science of the nerves, the nervous system and the diseases affecting them.
Neonatal	Of or relating to newborn children.
NICE	National Institute for Health and Care Excellence.
NIHR	National Institute for Health Research.
NNAP	National Neonatal Audit Project.
NMR / NNMR	Neonatal Mortality Rate; Deaths of infants in the newborn period.
NRLS	National Reporting & Learning System.
ONS	Office for National Statistics.
PALS	Patient Advice & Liaison Service.
Perinatal	The period surrounding birth.
Periventricular Leukomalacia	A form of brain injury involving the tissue of the brain known as 'white matter'.
PHE	Public Health England.
Postnatal	Term meaning 'After Birth'.
Post-operative	Period immediately after surgery.
Pre-eclampsia	A condition involving a number of symptoms including increased maternal blood pressure in pregnancy and protein in the urine.
RCOG	Royal College of Obstetrics & Gynaecology.
Root Cause Analysis	A method of problem solving used for identifying the root causes of faults or problems.

SGA	Small for Gestational Age.
Tissue Viability	Tissue Viability is about the maintenance of skin integrity, the management of patients with wounds and the prevention and management of pressure damage.
Ultrasound	Sound or other vibrations having an ultrasonic frequency, particularly as used in medical imaging.
VTE	Venous Thrombo-embolism; this describes a fragment that has broken away from a clot that had formed in a vein.
VLBW	Very Low Birth Weight - babies born weighing less than 1500 grams
VON	Vermont Oxford Neonatal Network.
WHO	World Health Organisation.

5. *Independent auditors' report to the Council of Governors of Liverpool Women's NHS Foundation Trust*

Report on the financial statements

Our opinion

In our opinion, Liverpool Women's NHS Foundation Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the Trust's affairs as at 31 March 2016 and of its income and expenditure and cash flows for the year then ended 31 March 2016; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosures made in note 1 (Accounting policies and other information) to the financial statements concerning the Trust's ability to continue as a going concern. The Trust faces a significant financial challenge and is forecasting a deficit for 2016/17 and a cash shortfall which will lead to a Financial Sustainability Risk Rating of 2. The Trust has applied for £7.7m of Distressed Funding from the Department of Health for 2016/17 and will be informed in 2016/17 as to whether this application has been successful. If the application is successful, the Trust will achieve a Financial Sustainability Risk Rating (FSSR) of 2. If the application is unsuccessful, the Trust anticipates enhanced regulatory action. These conditions, together with the other matters explained in note 1 of the financial statements, indicate the existence of material uncertainty, which may cast significant doubt about the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

What we have audited

The financial statements comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Taxpayer's Equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the NHS Foundation Trust Annual Reporting Manual 2015/16 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our audit approach

Context

Liverpool Women's NHS Foundation Trust specialises in the health of women and their babies in a hospital environment as well as out in the community. The Trust focusses on providing maternity services through caring for women and babies from conception to delivery as well as gynaecology services which entail caring for women with varied conditions associated with the female reproductive system. The Trust also has renowned fertility and genetics teams to support the services provided.

The Trust's principal commissioner is Liverpool Clinical Commissioning Group (CCG) which represents over 37.5% of the Trust's revenue.

Monitor currently rates the Trust as red for governance and has a financial sustainability risk rating of 2. The financial sustainability risk rating is Monitor's view of the risk that the Trust will fail to carry on as a going concern, a rating of 1 indicates the most serious risk and 4 the least risk.

Overview

- Overall materiality: £2,000,000 which represents 2 % of total revenue.
- In establishing our overall approach we assessed the risks of material misstatement and applied our professional judgement to determine the extent of testing required over each balance in the financial statements.
- The audit was conducted at the Trust's hospital site in Liverpool as that is where the Trust's finance function is based.

Our key areas of focus are

- Financial position and sustainability;
- Management override of controls and risk of fraud in revenue and expenditure recognition;
- Valuation of property, plant and equipment;
- Risk of board issues impacting on the financial statements.

The scope of our audit and our areas of focus

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code") and, International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	*How our audit addressed the area of focus*
Financial position and sustainability *The Trust's future business plans are discussed in detail in section 2i of the Performance Report. The Trust's finances for the year ended 31 March 2016 are discussed in detail in section 2ii of the Performance Report.* The Trust has reported a Financial Sustainability Risk Rating of 2 as at the year ended 31 March 2016, which is what the Trust is also forecasting for 2016/17. The Trust's governance status is red (previously 'Green') as a result of the Trust financial performance in 2015/16. Further, the Trust achieved a deficit of £7.2m in the year ended 31 March 2016 compared to a budgeted deficit of £8.0m. The Trust has achieved its cost savings target of £5.4m in 2015/16. The Trust's annual plan for 2016/17, which has been approved by the Board of Directors, identifies the Trust as achieving: • Income of £107.4m; • Deficit of £7.0m; • FSRR of 2; and • CIP savings of £2.0m. This annual plan supports the directors' expectation that the	We evaluated and challenged the ***composition of the annual plan and the financial projections*** and the process by which they were drawn up. In particular, we obtained the reconciliation for income and expenditure from the 2015/16 actual results to the 2016/17 Annual plan and understood the following assumptions which the plan is most sensitive to: • the forecast movement in non-recurrent income and expenditure; • the forecast impact of the tariff deflator and inflationary increases in expenditure; and • the forecast impact of CIP savings. We then challenged these ***assumptions*** by • agreeing tariff deflators and inflation rates to Monitor guidance; • considering whether non recurrent income and expenditure had been appropriately included/excluded from the forecasts; and • agreeing a sample of CIP schemes to supporting documentation and where possible, evidence of delivery to date. We found the assumptions used to be acceptable although noted that any change in these assumptions would have a direct impact on the Trust's result and cash flow forecast for 2016/17.

Area of focus	*How our audit addressed the area of focus*
Trust will have a Financial Sustainability Risk Rating of 2 for 2016/17. The most significant inputs into the annual plan, are income and expenditure. When considering its annual plan, the Trust identified a number of key risks in its delivery. The key uncertainties identified were: • ability to meet the budgeted CIP savings of £2.0m; • receipt of the Sustainability and Transformation funding of £2.8m; • receipt of distressed funding of £7.7m from the Department of Health. We focussed on this area because the assessment of the Trust's financial position and financial sustainability, and in particular the annual plan, requires significant levels of judgement in choosing appropriate assumptions (as described above). These assumptions directly impact the Trust's FSRR for 2016/17, which could have serious implications for the Trust and its stakeholders.	We tested management's ***forecasting accuracy*** by comparing the current year actual results to those included in the prior year annual plan. We found that the Trust was initially budgeting a deficit of £8.0m, however achieved a deficit of £7.2m on the basis that deferred CNST costs would not be repayable in 2015/16, as agreed with Monitor. With that in mind, we performed ***sensitivity analysis*** over the assumptions within the Trust's annual plan. We determined that the calculations were most sensitive to assumptions of the receipt of Sustainability and Transformation funding and Distressed Funding in 2016/17. Our analysis showed that the Trust would require these funding in order to be able to operate in 2016/17. Based on the information currently available, there is therefore a material uncertainty around the future cash requirements of the Trust over the next 12 months. An Emphasis of Matter paragraph is included in our opinion to highlight this uncertainty.
Management override of controls and fraud in revenue and expenditure recognition *See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to the recognition of income.* It is an inherent risk in every organisation that management is in a position where they can manipulate and override controls in order to misreport or perform/conceal fraudulent reporting within the financial statements in order to influence results and maximise performance. We focussed on this area because there is a heightened risk due to: • the incentive for the Trust to improve or maintain its quality ratings; • the pressure it is under to achieve a surplus and maximise revenue in any accounting year; and • the timing and complexity of the intra-NHS balance reconciliation process. *Income* The Trust's income comes primarily from other NHS bodies and more specifically from Clinical Commissioning Groups ('CCGs'). The service level agreements ('SLAs') with the CCGs are renegotiated annually and consist of standard monthly instalments and quarterly over/under performance invoices or credit notes, which are negotiated with the CCG and are therefore subject to management judgement regarding the value and recoverability of the related income. We considered whether there were any complex contractual arrangements in place which may be more susceptible to management manipulation. We did not identify any additional risks that have not already been addressed through our significant risk of management override of controls and risk of fraud in revenue recognition.	We tested the potential for manipulation of ***journal*** postings to the ledgers by selecting a sample of manual and automated journals which have been recognised within income and expenditure. We considered the journals process and obtained an understanding of the user profiles, ensuring that a proper authorisation control was in place. We focussed around those journals which impacted the cash accounts as well as unexpected accounts combinations, namely those impacting income and expenses. We also focussed on journals impacting provisions and deferred income to identify any releases in the year. We considered each journal and traced back to supporting evidence such as invoices, delivery notes or proof of payment. We also evaluated the business rationale underlying significant transactions. Our testing confirmed that the journals selected were supported by appropriate documentation and that the related income and expenditure was recognised in the correct accounting period. We evaluated and tested ***management's estimates*** (such as the property, plant and equipment valuation, accruals, provisions, deferred income and the bad debt provision) and the basis of their calculation. For each estimate, we reviewed the accounting estimate for bias and evaluated whether circumstances producing any bias or representing a risk of material misstatement existed. We also considered the prior estimate for accuracy given the current year activity. Our testing did not identify any material issues. For CCG ***income***, we obtained copies of the signed contract and reviewed the terms of said contracts. We agreed the income recognised in the year to the terms and any correspondence between the Trust and the CCG regarding over/under performance. We agreed income back to invoices

Area of focus	*How our audit addressed the area of focus*
Expenditure Expenditure recognition has also been considered to be a risk, in particular around the understatement of expenditure or liabilities in an attempt to curb the deficit or the Financial Sustainability Risk Rating. Items of expenditure whose value are dependent on estimates have also been considered more liable to manipulation. We focussed on this area because there is a heightened risk due to: • the incentive for the Trust to overstate revenue, particularly towards the year end, to either improve the current year position or ensure next year's position; • the material nature of the income contracts, any manipulation of income could lead to a material misstatement of revenue and profit; and • unrecorded liabilities.	and cash receipts. We considered the Trust's main contractual arrangements and found that they include some degree of management judgement but are not inherently complex. For a sample of the Trust's SLAs, we tested the total value to a signed agreement and authorised variations where applicable. We examined that the final March 2016 payment was correctly accounted for. We evaluated the SLAs for any monies for specific purposes or potential deferred income items and ensured these have been accounted for appropriately. We tested a sample of revenue transactions recognised close to year end (both before and after the year-end) to check that cut-off procedures were appropriately applied. This involved agreeing the revenue transactions to supporting invoices and goods despatch note (where applicable). Our testing did not identify any material issues. We tested ***intra NHS confirmations*** of income and expenditure as well as debtors and creditors mismatches by reference to the Monitor agreement of balances reports and investigated with management the resolution of any disputed amounts. We considered the impact these disputes had on the value of income and expenditure recognised in 2015/16 and did not identify any issues with all the unresolved mismatches immaterial. We performed testing to check that there were no ***unrecorded liabilities*** by • agreeing large payments recognised after the year end to supporting documentation and checking that they related to post-year end expenditure; • agreeing large invoices received after the year end to supporting documentation and checking that they related to post-year end expenditure; • considering the monthly activity with the top 5 suppliers and identifying unusual trends around the year end date; and • comparing the list of accrued expenses recognised at 31 March 2016 with that recognised in the prior year to identify differences year on year which we then investigated. Our testing did not identify any material issues.
Valuation of property, plant and equipment *See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to property, plant and equipment and note 12 for further information.* We focussed on this area because Property, plant and equipment ("PPE") represents the largest balance in the Trust's statement of financial position. PPE is valued at £69.3m as at 31 March 2016. Land and buildings are measured at fair value based on	We have obtained directly from the District Valuer the output of the valuation undertaken, including details of the requests for the work to be performed by the Trust. We tested a sample of the material assets by verifying that the input data used by the valuer as the basis of the valuation was consistent with the underlying estates and property asset information held at the Trust. We inspected the repairs and maintenance expenses codes to confirm that there had been no significant alterations to the existing value and use of assets. We also physically

Area of focus	*How our audit addressed the area of focus*
periodic valuations. The valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and are required to be performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the reporting date. A full valuation of the Trust's portfolio of land and buildings (including dwellings) was undertaken by the Trust's valuation experts and this has resulted in an upward revaluation of £1.36m of the Land and Buildings balance. We focussed on this area due to the material nature of the PPE balance, and the impact on the financial statements if it were to be materially misstated. The specific areas of risks are: • accuracy of the detailed information on asset provided to the valuation expert, in particular the floor plans on which the valuation is based; • the useful economic lives adopted for the properties; • the methodology, assumptions and underlying data used by the District Valuer; and • the accounting transactions resulting from this valuation with the £1.36m being recognised to the revaluation reserve.	inspected a sample of assets to confirm they were in use. We obtained and read the relevant sections of the full valuation performed by the District Valuer. We assessed the assumptions and the estimates used in the valuation and considered the reasonableness of these using our valuation expertise and consideration of wider industry trend. We checked that the accounting treatment of the valuation information has been correctly input into the Trust's financial statements. Our testing did not identify any material issues.
Board issues impacting the financial statements *See the Annual Governance Statement in section 3vii of the Accountability Report.* The Trust commissioned an extended report into governance following the resignation of the Chair Person in 2015/16. This was identified as an area of focus because of the impact the event might have had on the board decisions, and hence on the Trust, during 2015/16.	We reviewed the independent report commissioned by the Trust. We concluded that the appropriate measures had been taken by the Board to ensure that activities of the Trust were not impacted by the resignation of the Chair Person. We reviewed minutes of the different committees meetings held around and after the resignation of the Chair and concluded that the Trust continued its operations as expected.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the trust, the accounting processes and controls, and the environment in which the trust operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£2,000,000 (2015: £1,945,000).
How we determined it	2% of revenue (2015: 2% of revenue)
Rationale for benchmark applied	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £100,000 (2015: £90,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other reporting in accordance with the Code

Opinions on other matters prescribed by the Code

In our opinion:

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16; and
- the part of the Staff Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Other matters on which we are required to report by exception

We are required to report to you if, in our opinion:	
• information in the Annual Report is: - materially inconsistent with the information in the audited financial statements; or - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or - otherwise misleading.	We have no exceptions to report.
• the statement given by the directors in section 3i(a) of the Accountability Report, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Trust's performance, business model and strategy is materially inconsistent with our knowledge of the trust acquired in the course of performing our audit.	We have no exceptions to report.
• section 3i(b) of the Accountability Report, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.
• the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 or is misleading or inconsistent with information of which we are aware from our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.	We have no exceptions to report.
We are also required to report to you if:	
• we have referred a matter to Monitor under paragraph 6 of Schedule 10 to the NHS Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or	We have no exceptions to report.
• we have issued a report in the public interest under paragraph 3 of Schedule 10 to the NHS Act 2006.	We have no exceptions to report.

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code we are required to report to you if we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We draw your attention to the Trust's Annual Governance Statement in section 3vii of the Accountability Report. The Trust has been subject to an Enforcement Undertaking from Monitor dated 8 April 2016 as a result of

- the Trust's financial sustainability risk rating of 2 since Q2 2015/16;
- the Trust's full year deficit of £7.3m in 2015/16;
- the Trust's failure to deliver a plan to return to a financially sustainable position that has been fully agreed with stakeholders including local and specialist stakeholders; and
- the Trust being in receipt of, and continuing to require, distressed funding from the Department of Health.

The Trust has taken steps to address its financial challenges but Monitor is in the process of determining if additional support is required to assist the Trust in reducing its predicted deficit and ensuring its long term sustainability plans.

As a result of the matters summarised above, we have been unable to satisfy ourselves in all material aspects that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2016.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Code, and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council of Governors of Liverpool Women's NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed;

the reasonableness of significant accounting estimates made by the directors; and

the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Responsibilities for securing economy, efficiency and effectiveness in the use of resources

Our responsibilities and those of the Trustees

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We are required under paragraph 1(d) of Schedule 10 to the NHS Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

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.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code.

Fiona Kelsey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
26 May 2016

(a) The maintenance and integrity of the Liverpool Women's NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

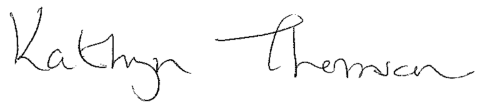
6. Foreword to the Accounts

Accounts for the period ending 31 March 2016

The following presents the accounts for the Liverpool Women's NHS Foundation Trust for the period ending 31st March 2016.

The accounts have been prepared in accordance with the requirements as set out in paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 (the 2006 Act) in the form which Monitor, the Independent Regulator of NHS Foundation Trusts has, with the approval of the Treasury, directed.

Signed



Kathryn Thomson
Chief Executive
20 May 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2015/16 £000	2014/15 £000
Operating income from patient care activities	2	95,149	89,826
Other operating income	3	7,113	7,440
Operating income total		102,262	97,266
Operating expenses	4.1	(107,750)	(98,070)
Operating deficit		(5,488)	(804)
Finance income	9	29	19
Finance expense - financial liabilities	10.1	(119)	(42)
Finance expense - unwinding of discount on provisions	21	(7)	(27)
PDC dividends payable		(1,621)	(1,881)
Share of profit of associates / joint arrangements	13	0	10
Retained deficit for the year		(7,206)	(2,725)
Other comprehensive income / (expense):			
Impairments	12	0	(13)
Revaluations - property, plant and equipment	12	1,360	1,860
Total comprehensive expense for the year		(5,846)	(878)

The notes following the primary financial statements, numbered 1 to 27 form part of these accounts.

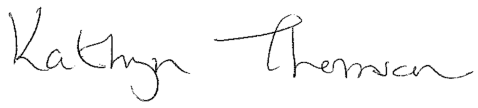
The Statement of Comprehensive Income records the Trust's income and expenditure in summary form in the top part of the statement and any other recognised gains and losses are taken through reserves under other comprehensive income.

All income and expenditure is derived from continuing operations. The Foundation Trust has no minority interest.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	31 March 2016 £000	31 March 2015 £000
Non-current assets			
Intangible assets	11	646	270
Property, plant and equipment	12	69,303	67,245
Investments in associates and joint ventures	13	10	10
Trade and other receivables	16.1	580	51
Total non-current assets		70,539	67,576
Current assets			
Inventories	15	326	310
Trade and other receivables	16.1	4,292	3,930
Cash and cash equivalents	17	3,225	6,108
Total current assets		7,843	10,348
Current liabilities			
Trade and other payables	18	(7,013)	(7,441)
Borrowings	20	(612)	(306)
Provisions	21	(1,868)	(930)
Other liabilities	19	(1,043)	(787)
Total current liabilities		(10,536)	(9,464)
Total assets less current liabilities		67,846	68,460
Non-current liabilities			
Borrowings	20	(10,183)	(5,194)
Provisions	21	(523)	(599)
Other liabilities	19	(1,748)	(1,675)
Total non-current liabilities		(12,454)	(7,468)
Total assets employed		55,392	60,992
Financed by			
Public dividend capital		36,610	36,365
Revaluation reserve		10,019	8,659
Income and expenditure reserve		8,763	15,968
Total taxpayers' equity		55,392	60,992

The Statement of Financial Position lists the assets (everything the Trust owns or is owed) liabilities (money owed to external parties) and taxpayers' equity (public funds invested in the Trust). At any given time, the Trust's total assets less total liabilities must equal Taxpayers' Equity.
The financial statements contained within these accounts were approved by the Board of Directors on the 20th May 2016 and signed on its behalf by:



Signed .....
Kathryn Thomson
Chief Executive

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AS AT 31 MARCH 2016

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2015	**36,365**	**8,659**	**15,968**	**60,992**
Deficit for the year	0	0	(7,206)	**(7,206)**
Impairments	0	0	0	**0**
Revaluations - property, plant and equipment	0	1,360	0	**1,360**
Transfer to retained earnings on disposal of assets	0	0	0	**0**
Share of comprehensive income from associates and joint arrangements	0	0	0	**0**
Other recognised gains and losses	0	0	0	**0**
Public dividend capital received	246	0	0	**246**
Public dividend capital repaid	0	0	0	**0**
Other reserve movements	(1)	0	1	**0**
Taxpayers' equity at 31 March 2016	**36,610**	**10,019**	**8,763**	**55,392**

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 trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable to the Department of Health as the public dividend capital dividend.

In 2015/16, the Trust received £246k of Public Dividend Capital. This related to additional Department of Health funding that the Trust bid for and was successful in obtaining in relation to the 100,000 Genomes Project Capital Investment Fund.

Revaluation reserve

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

Income and expenditure reserve

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

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AS AT 31 MARCH 2015

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2014	**35,676**	**6,812**	**18,693**	**61,181**
Deficit for the year	0	0	(2,725)	**(2,725)**
Impairments	0	(13)	0	**(13)**
Revaluations - property, plant and equipment	0	1,860	0	**1,860**
Transfer to retained earnings on disposal of assets	0	0	0	**0**
Share of comprehensive income from associates and joint arrangements	0	0	0	**0**
Other recognised gains and losses	0	0	0	**0**
Public dividend capital received	689	0	0	**689**
Public dividend capital repaid	0	0	0	**0**
Other reserve movements	0	0	0	**0**
Taxpayers' equity at 31 March 2015	**36,365**	**8,659**	**15,968**	**60,992**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Note	2015/16 £000	2014/15 £000
Cash flows from operating activities:			
Operating deficit		(5,488)	(804)
Non-cash income and expense:			
Depreciation and amortisation	4.1	4,023	3,905
(Gain) / loss on disposal		(26)	26
(Increase) / decrease in trade and other receivables		(891)	(182)
(Increase) / decrease in inventories		(16)	(2)
Increase / (decrease) in trade and other payables		(412)	(915)
Increase / (decrease) in other liabilities		329	(52)
Increase / (decrease) in provisions		855	(198)
Other movements in operating cash flows		(3)	0
Net cash (used in) / generated from operating activities		(1,629)	1,778
Cash flows from investing activities:			
Interest received		29	19
Purchase of intangible assets		(522)	(45)
Purchase of property, plant and equipment and investment property		(4,667)	(5,314)
Sales of property, plant and equipment and investment property		75	16
Receipt of cash donations to purchase capital assets		0	0
Net cash (used in) / generated from investing activities		(5,085)	(5,324)
Cash flows from financing activities:			
Public dividend capital received		246	689
Public dividend capital repaid		0	0
Loans received from the Department of Health		5,600	5,500
Loans repaid to the Department of Health		(306)	0
Interest paid		(116)	(42)
PDC dividend paid		(1,593)	(1,881)
Net cash (used in) / generated from financing activities		3,831	4,266
(Decrease) / increase in cash and cash equivalents	17.1	(2,883)	720
Cash and cash equivalents at 1 April	17.1	6,108	5,388
Cash and cash equivalents at 31 March	17.1	3,225	6,108

The Statement of Cash Flows summarises the cash flows in and out of the Trust during the financial year. It analyses these cash flows under the headings of operating, investing and financing cash flows. The Statement of Cash Flows differs from the Statement of Comprehensive Income by focusing on the cash implications of actions taken by the Trust during the financial year. The statement is useful in assessing whether the Trust has enough cash to be able to pay its bills as they fall due.

NOTES TO THE ACCOUNTS

Note 1 Accounting policies and other information

Basis of preparation

Monitor is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the FT ARM which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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.

Going concern

These accounts have been prepared on a going concern basis.

Liverpool Women's NHS Foundation Trust faces a significant financial challenge and is forecasting a deficit of £7m in 2016/17 with a £7.7m cash shortfall. This will lead to a Monitor Financial Sustainability Risk Rating of 2.

The Board has taken comfort from internal and external audit regarding the financial controls within the Foundation Trust, coupled with a recent efficiency review commissioned externally by the Foundation Trust, indicate that the Foundation Trust is efficient and managed well financially. The financial challenges arise from structural problems, notably from within the maternity tariff and from Clinical Negligence insurance premiums.

The National Health Service has a process for managing organisations that are in financial distress which will enable the services provided by Liverpool Women's NHS Foundation Trust to continue and ensure that all staff and suppliers are paid. This will ensure that the financial stability issues are managed in a controlled manner which does not adversely impact on the services provided to patients. On this basis, the Directors have a reasonable expectation that the Liverpool Women's NHS Foundation Trust will continue in operational existence for the coming 12 month period and for this reason they continue to adopt the going concern basis in preparing the accounts.

Note 1.1 Consolidation

Liverpool Women's NHS Foundation Charitable Trust

The Liverpool Women's NHS Foundation Trust is the corporate trustee of the Liverpool Women's NHS Foundation Charitable Trust (Registration No. 1048294). The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the Charitable Trust and has the ability to affect those returns and other benefits through its power over the trust.

The Charitable Trust's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Generally Accepted Accounting Principles (UK GAAP). The Foundation Trust has not consolidated the Liverpool Women's NHS Foundation Charitable Trust in it's accounts on the grounds of materiality.

Joint ventures

Joint ventures are arrangements in which the Foundation 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.

Segmental Reporting

The Foundation Trust's core activities fall under the remit of the Chief Operating Decision Maker (CODM), which has been determined to be the Board of Directors. These activities are primarily the provision of NHS healthcare, the income for which is received through contracts with commissioners. The contracts follow the requirements of Payment by Results where applicable and services are paid for on the basis of tariffs for each type of clinical activity. The planned level of activity is agreed with our main commissioners for the year. The Foundation Trust's main commissioners are listed in the related party disclosure (see Note 25).

The Foundation Trust comprises of two clinical divisions, Maternity and Gynaecology. These divisions have been aggregated into a single operating segment because they have similar economic characteristics, are managed by a single divisional manager, the nature of the services they provide are the same (NHS care), and they have the same customers. The majority of the Foundation Trust's customers come from the City of Liverpool and surrounding areas, although the Foundation Trust also has contracts to treat patients from further afield including Wales and the Isle of Man. Both divisions have the same regulators (Monitor, the Care Quality Commission and the Department of Health). The overlapping activities and interrelation between the divisions also suggests that aggregation is appropriate. The divisional management teams report to the CODM, and it is the CODM that ultimately makes decisions about the allocation of budgets, capital funding and other financial decisions.

Note 1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Foundation Trust is contracts with commissioners in respect of health care services.
Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.
Other operating income is recognised when, and to the extent, performance occurs. It is measured at the fair value of the consideration receivable. The main source of this income is from CCG's, NHS England, NHS Foundation Trusts and NHS Trusts. It includes Education and Training Income, which arises from the provision of mandatory education and training as set out in the Trust's Terms of Authorisation. This income is recognised as costs are incurred.
Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.
Finance income relates to interest receivable from balances held in bank accounts and amounts placed on short term deposit which is accrued on a time basis by reference to the principal outstanding and the interest rate applicable.

Note 1.3 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. 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 NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers pension cost 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 Foundation Trust commits itself to the retirement, regardless of the method of payment.

Holiday Pay Accrual
For all staff the amount of outstanding annual leave as at 31 March 2016 was requested across the whole Foundation Trust. The accrual was then calculated based on the full population of responses.

Note 1.4 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.

Note 1.5 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes;
• it is probable that future economic benefits will flow to, or service potential be provided to, the Foundation Trust;
• it is expected to be used for more than one financial year; and
• 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 a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
• Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

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.

All assets are measured subsequently at fair value.

Fair value of land and buildings are based on advice received from the professional valuers Cushman and Wakefield. Valuations provided by the professional valuers for land and buildings as at 31 March 2016 have been reflected in the 2015/16 accounts.

The valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

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.

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful economic lives using the straight line method. Freehold land is considered to have an infinite life and is not depreciated.

Assets in the course of construction are not depreciated until the asset is brought into use.

The estimated useful life of an asset is the period over which the foundation trust expects to obtain economic benefits or service potential from the asset. This is specific to the foundation trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed during the year, with the effect of any changes recognised on a prospective basis.

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 income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to 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 *FT ARM*, 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 income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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 all of the following criteria are met:

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable ie:

- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale';
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

Donated assets
Donated property, plant and equipment assets are capitalised at their fair value on receipt. The donation is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the donation are to be consumed in a manner specified by the donor, in which case, the donation 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 assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.6 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the 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 only where all of the following can be demonstrated:
- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Foundation Trust intends to complete the asset and sell or use it;
- the Foundation Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset; and
- the Foundation Trust can measure reliably the expenses attributable to the asset during development.

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

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

Subsequently intangible assets are measured at fair value. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment.

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The estimated useful life of an asset is the period over which the foundation trust expects to obtain economic benefits or service potential from the asset. This is specific to the foundation trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Note 1.7 Revenue government and other grants

Government grants are grants from Government bodies other than income from commissioners or NHS 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.

Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs to completion and selling costs to be incurred. No provision is made for obsolete or slow moving items as they are not included within inventory valuations.

Note 1.9 Financial instruments and financial liabilities

Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Foundation Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the Foundation Trust becomes a party to the contractual provisions of the instrument.

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

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

Classification and measurement
Financial assets are categorised as "loans and receivables".

Financial liabilities are classified as “other financial liabilities”.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Foundation Trust’s loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and “other receivables”.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Cash is cash-in-hand and deposits with any financial institution repayable without penalty.

Other financial liabilities
All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets
At the Statement of Financial Position date, the Foundation Trust assesses whether any financial assets, other than those held at “fair value through income and expenditure” are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

A provision for the impairment of receivables has been made against specific debtor amounts where there is reasonable uncertainty of obtaining settlement.

Note 1.10 Leases

Operating leases

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

Where the Foundation Trust acts as the Lessor, operating lease income is recognised for the lease of buildings or land where the risks and rewards of ownership of the leased asset are retained by the Foundation Trust. Lease income received in advance is deferred over the life of the lease.

Note 1.11 Provisions

The NHS Foundation 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 the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 21 but is not recognised in the NHS Foundation Trust's accounts.

Non-clinical risk pooling

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

Pension provisions

Pension provisions relating to former employees, have been estimated using the life expectancy from the Government's actuarial tables. Provisions are recognised when the Foundation Trust has a present legal or constructive obligation as a result of a past event, Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms (1.37% for employee early departure obligations).

Legal claims

Legal claims provisions relate to employer and public liability claims. Expected costs are advised by the NHS Litigation Authority or other legal professionals.

Other provisions

Other provisions are in respect of costs arising from organisational restructure and potential abortive costs, and are calculated using appropriate methodology in line with IAS 37.

Note 1.12 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 22 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 22, 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.

Note 1.13 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 trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS Foundation 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 NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (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 thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.14 Value added tax

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

Note 1.15 Corporation tax

The Foundation Trust has determined that it is has no corporation tax liability having reviewed "Guidance on the tax treatment of non-core health care commercial activities of NHS Foundation Trusts" issued by HM Revenue and Customs supplemented by access to specialist advice when necessary.

Note 1.16 Foreign exchange

The functional and presentational currency of the Foundation 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.

No assets or liabilities denominated in a foreign currency are held at the Statement of Financial Position date by the Foundation Trust.

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.

Note 1.17 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.18 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, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However 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.

Note 1.19 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2015/16.

Note 1.20 Standards, amendments and interpretations in issue but not yet effective or adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2015/16. The application of the Standards as revised would not have a material impact on the accounts for 2015/16, were they applied in that year:

IFRS 11 (amendment) – acquisition of an interest in a joint operation
IAS 16 (amendment) and IAS 38 (amendment) – depreciation and amortisation
IAS 16 (amendment) and IAS 41 (amendment) – bearer plants
IAS 27 (amendment) – equity method in separate financial statements
IFRS 10 (amendment) and IAS 28 (amendment) – sale or contribution of assets
IFRS 10 (amendment) and IAS 28 (amendment) – investment entities applying the consolidation exception
IAS 1 (amendment) – disclosure initiative
IFRS 15 Revenue from contracts with customers
Annual improvements to IFRS: 2012-15 cycle
IFRS 9 Financial Instruments

Note 1.21 Critical accounting estimates and judgements

In the application of the Foundation Trust's accounting policies, management is required to make judgments, estimates and assumptions regarding the carrying amount of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors considered of relevance. Actual results may differ from those estimates as underlying assumptions are continually reviewed. Revisions to estimates are recognised in the period in which the estimate is revised.

The areas requiring critical judgments in the process of applying accounting policies are.

- Asset valuation and lives (including capitalisation of costs in respect of assets in the course of construction)
- Impairments of receivables
- Holiday pay accrual
- Pension provisions
- Legal claims and entitlements

Further detail of these policies can be found in their specific accounting policy notes.

Note 2 Operating income from patient care activities

Note 2.1 Income from patient care activities (by nature)	2015/16 £000	2014/15 £000
Acute services		
Elective income	**9,583**	9,708
Non elective income	**19,316**	18,255
Outpatient income	**11,102**	10,756
A & E income	**1,288**	1,139
Other NHS clinical income	**47,283**	43,696
All services		
Private patient income	**3,682**	3,592
Other clinical income*	**2,895**	2,680
Total income from activities	**95,149**	89,826

The figures quoted are based upon income received in respect of actual activity undertaken within each category. The Terms of Authorisation set out the mandatory goods and services that the Trust is required to provide (protected services). All of the income from activities before Private Patients and other clinical income shown above is derived from the provision of protected services.

*The Injury Costs Recovery Scheme income has been provided for impairment of receivables at 21.99% to reflect the expected rates of collection (2014/15: 18.9%).

Note 2.2 Income from patient care activities (by source)	2015/16	2014/15
	£000	£000
CCGs and NHS England	84,146	80,540
Local authorities	237	249
NHS foundation trusts	3,083	2,129
NHS trusts	1,343	885
Non-NHS: private patients	3,682	3,592
Non-NHS: overseas patients (chargeable to patient)	165	135
NHS injury scheme (was RTA)	66	82
Non NHS: other	2,427	2,214
Total income from activities	95,149	89,826

All the foundation trusts' activities relate to a single operating segment in respect of the provision of healthcare services. The Trust does not consider that segmental reporting would be appropriate in the 2015/16 annual accounts as:

• The Trust Board reviews the financial position as a whole in its decision making process, rather than individual components included in the totals.

• The Trust shares its assets across all areas to provide healthcare.

• The Trust workforce works flexibly across all areas to provide healthcare.

• IFRS 8: Operating Segments allows the aggregation of segments that have similar economic characteristics and types and class of customer. Therefore, all the foundation trusts activities relate to a single operating segment in respect of the provision of acute health care.

Note 2.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)	2015/16	2014/15
	£000	£000
Income recognised this year	165	135
Cash payments received in-year	96	105
Amounts added to provision for impairment of receivables	0	15
Amounts written off in-year	0	0

Note 3 Other operating income	2015/16	2014/15
	£000	£000
Research and development	778	928
Education and training	5,029	5,095
Non-patient care services to other bodies	7	6
Profit on disposal of land and buildings	70	0

Rental revenue from operating leases	**229**	304
Car parking	**584**	485
Clinical excellence awards	**354**	555
Property rentals	**48**	41
Other	**14**	26
Total other operating income	**7,113**	7,440

The profit on disposal of land and buildings of £70k relates to the disposal of the Genetics Modular building at the Alder Hey hospital site. The building was sold to Alder Hey Children's NHS Foundation Trust for £70k and had nil net book value at the date of disposal.

Note 4.1 Operating expenses	**2015/16**	2014/15
	£000	£000
Services from NHS foundation trusts	**2,280**	2,597
Services from NHS trusts	**3,062**	2,703
Services from CCGs and NHS England	**11**	11
Purchase of healthcare from non NHS bodies	**328**	59
Employee expenses - executive directors	**905**	912
Employee expenses - non-executive directors	**109**	112
Employee expenses - staff	**62,626**	60,541
Supplies and services - clinical	**6,178**	5,731
Supplies and services - general	**3,094**	3,175
Establishment	**2,048**	1,434
Research and development	**11**	0
Transport	**370**	378
Premises	**5,849**	4,602
Increase / (decrease) in provision for impairment of receivables	**24**	(137)
Increase in other provisions	**360**	188
Change in provisions discount rate(s)	**0**	87
Drug costs	**549**	575
Inventories consumed	**2,173**	1,879
Rentals under operating leases	**130**	77
Depreciation on property, plant and equipment	**3,869**	3,817
Amortisation on intangible assets	**154**	88
Audit services- statutory audit	**48**	47
Audit services- Other auditor remuneration (external auditor only)	**186**	266
Clinical negligence	**10,371**	6,722
Loss on disposal of property, plant and equipment	**44**	26
Legal fees	**297**	284
Consultancy costs	**615**	539
Training, courses and conferences	**347**	295
Patient travel	**19**	13
Hospitality	**0**	3
Insurance	**71**	73

Other services, eg external payroll	95	168
Losses, ex gratia & special payments	1	6
Other	1,526	799
Total	107,750	98,070

The Clinical negligence costs relates to the Trusts contribution to the NHS Litigation Authority risk pooling scheme under which the Trust pays an annual contribution.

Note 4.2 Other auditor remuneration	2015/16	2014/15
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	0	0
2. Audit-related assurance services	9	9
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
Other non-audit services not falling within items 2 to 7 above	177	257
Total	186	266

Note 4.3 Limitation on auditors' liability	2015/16	2014/15
	£000	£000
Limitation on auditors' liability	1,000	1,000
	1,000	1,000

Note 5 Impairment of assets	2015/16	2014/15
	£000	£000
Impairments charged to the revaluation reserve	0	13
Total net impairments	0	13

The impairment charge for 2014/15 was in respect of changes in market price and is as a result of a professional valuation of land and buildings carried out as at 31 March 2015 by Cushman and Wakefield, a firm of professional valuers (MRICS).

Note 6 Employee benefits	Permanent	Other	2015/16 Total	2014/15 Total
	£000	£000	£000	£000
Salaries and wages	51,573	1,885	53,458	51,211
Social security costs	3,568	0	3,568	3,434
Employer's contributions to NHS pensions	5,550	0	5,550	5,215
Pension cost - other	3	0	3	1
Other post employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	0	0	0	0
Agency/contract staff	0	1,535	1,535	2,039
Total gross staff costs	60,694	3,420	64,114	61,900
Recoveries in respect of seconded staff	0	0	0	0
Total staff costs	60,694	3,420	64,114	61,900
Included within:				
Costs capitalised as part of assets	426	157	583	447

Note 6.1 Average number of employees (WTE basis)	Permanent	Other	2015/16 Total	2014/15 Total
	Number	Number	Number	Number
Medical and dental	55	2	57	56
Administration and estates	288	0	288	277
Healthcare assistants and other support staff	169	0	169	160
Nursing, midwifery and health visiting staff	620	0	620	596
Scientific, therapeutic and technical staff	129	0	129	125
Agency and contract staff	0	66	66	65
Bank staff	0	42	42	34
Total average numbers	1,261	110	1,371	1,313
Of which:				
Number of employees (WTE) engaged on capital projects	10	4	14	9

Note 6.2 Retirements due to ill-health

During 2015/16 there were 3 early retirements from the Foundation Trust agreed on the grounds of ill-health (2014/15: 4). The estimated additional pension liabilities of these ill-health retirements is £221k (2014/15: £203k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

6.3 Staff Exit Packages

Foundation trusts are required to disclose summary information of their use of staff exit packages agreed in the year.

In the 2015/16 financial year, there has been 1 compulsory redundancy (2014/15: 0) totalling £105k (2014/15 £0k). The tables below discloses the Voluntary Severance Schemes and compulsory redundancies, highlighting the staff numbers that fall within the differing cost ranges in the 2015/16 and 2014/15 financial years.

2015/16 Exit Package Cost	Compulsory Redundancies Number	Compulsory Redundancies £000	Voluntary Severance Scheme departures agreed Number	Voluntary Severance Scheme departures agreed £000
<£10,000	0	0	0	0
£10,001 - £25,000	0	0	0	0
£25,001 - £50,000	0	0	0	0
£50,001 – £100,000	0	0	0	0
£101,000 - £150,000	1	105	0	0
£150,001 - £200,000	0	0	0	0
>£200,001	0	0	0	0
Total	1	105	0	0

2014/15 Exit Package Cost	Compulsory Redundancies Number	Compulsory Redundancies £000	Voluntary Severance Scheme departures agreed Number	Voluntary Severance Scheme departures agreed £000
<£10,000	0	0	0	0
£10,001 - £25,000	0	0	0	0
£25,001 - £50,000	0	0	0	0
£50,001 – £100,000	0	0	0	0
£100,001 - £150,000	0	0	0	0
£150,001 - £200,000	0	0	0	0
>£200,001	0	0	0	0
Total	0	0	0	0

The cost of ill-health retirements falls on the relevant pension scheme, not the Foundation Trust, and would not be included in this disclosure but note 6.2.

6.4 Directors' remuneration	2015/16	2014/15
The aggregate amounts payable to directors were:	£000	£000
Salary	790	786
Performance related bonuses	15	33
Employer's pension contributions	100	93
Total	905	912

Further details of directors' remuneration can be found in the remuneration report.

Note 7 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. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. 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 their recent demographic experience), and to recommend contribution rates payable by employees and employers. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

Note 8 Operating leases

Note 8.1 Liverpool Women's NHS Foundation Trust as a lessor (revenue)

	2015/16	2014/15
	£000	£000
Operating lease revenue		
Minimum lease receipts	229	304
Contingent rent	0	0
Other	0	0
Total	229	304

	2015/16	2014/15
	£000	£000
Total future minimum lease receipts due:		
- not later than one year;	72	31
- later than one year and not later than five years;	289	118
- later than five years.	1,808	1,557
Total	2,169	1,706

The minimum lease receipts relate to rental income due to the Foundation Trust.

Note 8.2 Liverpool Women's NHS Foundation Trust as a lessee (expenditure)

	2015/16	2014/15
	£000	£000
Operating lease expense		
Minimum lease payments	130	77
Contingent rents	0	0
Less sublease payments received	0	0
Total	130	77

	2015/16	2014/15
	£000	£000
Total future minimum lease payments due:		
- not later than one year;	126	81
- later than one year and not later than five years;	145	175
- later than five years.	0	0
Total	271	256

All operating leases relate to lease cars, vending machines, photocopiers, printers and water fountains.

Note 9 Finance income	2015/16	2014/15
	£000	£000
Interest on bank accounts	29	19
Total	29	19

Note 10.1 Finance expense - financial liabilities	2015/16	2014/15
	£000	£000
Interest expense:		
Loans from the Department of Health	119	42
Commercial loans	0	0
Total interest expense	119	42

Note 10.2 The late payment of commercial debts (interest) Act 1998

No payments were made for the late payment of commercial debts (2014/15: £nil).

Note 11.1 Intangible assets - 2015/16	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Other £000	Goodwill £000	Intangible assets under construction £000	Total £000
Valuation/gross cost at 1 April 2015	520	0	0	0	0	0	0	0	**520**
Additions	530	0	0	0	0	0	0	0	**530**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	0	0	0	0	**0**
Gross cost at 31 March 2016	**1,050**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,050**
Amortisation at 1 April 2015	250	0	0	0	0	0	0	0	**250**
Provided during the year	154	0	0	0	0	0	0	0	**154**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	0	0	0	0	**0**
Amortisation at 31 March 2016	**404**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**404**
Net book value at 31 March 2016:									
NBV - Purchased at 31 March 2016	646	0	0	0	0	0	0	0	**646**
NBV - Donated at 31 March 2016	0	0	0	0	0	0	0	0	**0**
NBV total at 31 March 2016	**646**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**646**

Note 11.2 Economic life of intangible assets

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

	Min life Years	Max life Years
Intangible assets - purchased		
Software	1	7

Note 11.3 Intangible assets - 2014/15	Software licences	Licences & trademarks	Patents	Internally generated information technology	Development expenditure	Other	Goodwill	Intangible assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2014	475	0	0	0	0	0	0	0	**475**
Additions	45	0	0	0	0	0	0	0	**45**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	0	0	0	0	**0**
Valuation/gross cost at 31 March 2015	**520**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	520
Amortisation at 1 April 2014	162	0	0	0	0	0	0	0	**162**
Provided during the year	88	0	0	0	0	0	0	0	**88**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	0	0	0	0	**0**
Amortisation at 31 March 2015	**250**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	250
Net book value at 31 March 2015:									
NBV - Purchased at 31 March 2015	270	0	0	0	0	0	0	0	**270**
NBV - Donated at 31 March 2015	0	0	0	0	0	0	0	0	**0**
NBV total at 31 March 2015	**270**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	270

Note 12.1 Property, plant and equipment - 2015/16	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2015	4,000	51,656	270	853	20,286	0	11,240	456	**88,761**
Additions	0	1,017	0	0	2,015	0	1,469	114	**4,615**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	853	0	(853)	0	0	0	0	**0**
Revaluations	0	514	0	0	0	0	0	0	**514**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	(5)	0	0	(128)	0	(1,407)	0	**(1,540)**
Valuation/gross cost at 31 March 2016	**4,000**	**54,035**	**270**	**0**	**22,173**	**0**	**11,302**	**570**	**92,350**
Accumulated depreciation at 1 April 2015	0	0	0	0	15,132	0	5,986	398	**21,516**
Provided during the year	0	847	4	0	1,321	0	1,668	29	**3,869**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(842)	(4)	0	0	0	0	0	**(846)**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals/ derecognition	0	(5)	0	0	(127)	0	(1,360)	0	**(1,492)**
Accumulated depreciation at 31 March 2016	**0**	**0**	**0**	**0**	**16,326**	**0**	**6,294**	**427**	**23,047**
Net book value at 31 March 2016									
NBV - Owned at 31 March 2016	4,000	53,918	269	0	5,847	0	5,008	143	**69,185**
NBV - Donated at 31 March 2016	0	117	1	0	0	0	0	0	**118**
NBV total at 31 March 2016	**4,000**	**54,035**	**270**	**0**	**5,847**	**0**	**5,008**	**143**	**69,303**

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Standards. An assessment of the value of the Foundation Trust's land and buildings was carried out by Cushman and Wakefield, a firm of professionally qualified, RICS Registered surveyors and valuers, at 31 March 2016. The Depreciated Replacement Cost (DRC) basis of valuation was used to value land and buildings.

Note 12.2 Economic life of property plant and equipment

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

	Min life Years	Max life Years
Land	-	0
Buildings, excluding dwellings	41	90
Dwellings	75	75
Assets under construction	-	0
Plant & machinery	1	15
Transport equipment	-	0
Information technology	1	10
Furniture & fittings	1	10

Note 12.3 Property, plant and equipment - 2014/15	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2014	4,000	57,127	400	301	19,635	0	8,273	412	**90,148**
Additions - purchased/ leased/ grants/ donations	0	1,001	0	853	894	0	2,666	44	**5,458**
Impairments	0	(13)	0	0	0	0	0	0	**(13)**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	(301)	0	0	301	0	**0**
Revaluations	0	(6,459)	(130)	0	0	0	0	0	**(6,589)**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(243)	0	0	0	**(243)**
Valuation/gross cost at 31 March 2015	**4,000**	**51,656**	**270**	**853**	**20,286**	**0**	**11,240**	**456**	**88,761**
Accumulated depreciation at 1 April 2014	0	7,437	149	0	14,021	0	4,384	358	**26,349**
Provided during the year	0	860	3	0	1,312	0	1,602	40	**3,817**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(8,297)	(152)	0	0	0	0	0	**(8,449)**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(201)	0	0	0	**(201)**
Accumulated depreciation at 31 March 2015	**0**	**0**	**0**	**0**	**15,132**	**0**	**5,986**	**398**	**21,516**
Net book value at 31 March 2015									
NBV - Owned at 31 March 2015	4,000	51,536	268	853	5,154	0	5,254	58	**67,123**
NBV - Donated at 31 March 2015	0	120	2	0	0	0	0	0	**122**
NBV total at 31 March 2015	**4,000**	**51,656**	**270**	**853**	**5,154**	**0**	**5,254**	**58**	**67,245**

Note 13 Investments in associates and joint ventures

Note 13.1 Investments - 2015/16	Investments in joint arrangements
	£000
Carrying value at 1 April 2015	**10**
Acquisitions in year	**0**
Share of profit / (loss)	**0**
Movement in fair value	**0**
Impairments	**0**
Reversal of impairment	**0**
Disposals	**0**
Carrying value at 31 March 2016	**10**

Note 13.2 Investments - 2014/15	Investments in joint arrangements
	£000
Carrying value at 1 April 2014	0
Acquisitions in year	0
Share of profit / (loss)	10
Movement in fair value	0
Impairments	0
Reversal of impairment	0
Disposals	0
Carrying value at 31 March 2015	10

Note 14 Disclosure of interests in other entities

A Joint Venture Agreement between Liverpool Women's NHS Foundation Trust and Kings College Hospital (KCH) was approved on 6 November 2014 in relation to the provision of assisted conception services. Profits and Losses of the Joint Venture will be shared between the Trust and KCH on a 50 / 50 basis. The carried forward profit in the accounts of the Trust is disclosed in note 13.1.

The gross assets of the Joint Venture shared between Liverpool Women's NHS Foundation Trust and KCH are £1,325k (2014/15: £342k).

Note 15 Inventories

	31 March 2016	31 March 2015
	£000	£000
Drugs	154	166
Consumables	172	144
Other	0	0
Total inventories	326	310

Inventories recognised in expenses for the year were £2,173k (2014/15: £1,879k). Write-down of inventories recognised as expenses for the year were nil (2014/15: nil).

Note 16.1 Trade and other receivables

	31 March 2016	31 March 2015
	£000	£000
Current		
Trade receivables due from NHS bodies	1,550	2,173
Receivables due from NHS charities	214	445
Provision for impaired receivables	(550)	(538)
Deposits and advances	23	21
Prepayments (non-PFI)	648	930
Accrued income	371	231
VAT receivable	276	104
Other receivables	1,760	564
Total current trade and other receivables	4,292	3,930
Non-current		
Provision for impaired receivables	(24)	(12)
Prepayments (non-PFI)	496	0
Other receivables	108	63
Total non-current trade and other receivables	580	51

The majority of trade is with clinical commissioning groups, as commissioners for NHS patient care services. As clinical commissioning groups are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 16.2 Provision for impairment of receivables

	31 March 2016	31 March 2015
	£000	£000
At 1 April	550	687
Increase in provision	24	298
Amounts utilised	0	0
Unused amounts reversed	0	(435)
At 31 March	574	550

The current provision for impairment of receivables has been identified following a review of all debt greater than 90 days old. This is conducted on a line by line basis to determine whether the debt is deemed collectable or not.

As per note 2.1 the provision for the impairment of receivables includes a provision regarding the NHS Injury Scheme of 21.99% to reflect expected rates of collection (2014/15: 18.9%).

Note 16.3 Analysis of impaired receivables

	31 March 2016		31 March 2015	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Ageing of impaired receivables	£000	£000	£000	£000
0 - 30 days	0	0	0	12
30-60 Days	11	0	0	0
60-90 days	8	0	0	0
90- 180 days	67	0	247	0
Over 180 days	488	0	291	0
Total	574	0	538	12
Ageing of non-impaired receivables past their due date				
0 - 30 days	849	0	1,043	0
30-60 Days	513	0	152	0
60-90 days	354	0	105	0
90- 180 days	251	0	394	0
Over 180 days	601	0	157	0
Total	2,568	0	1,851	0

The Foundation Trust has no concerns over the credit quality of the receivables shown above that are neither past due nor impaired.

Note 17.1 Cash and cash equivalents movements

	31 March 2016	31 March 2015
	£000	£000
At 1 April	**6,108**	5,388
Net change in year	**(2,883)**	720
At 31 March	**3,225**	6,108
Cash balance comprised of:		
Cash at commercial banks and in hand	**71**	69
Cash with the Government Banking Service	**3,154**	6,039
Deposits with the National Loan Fund	**0**	0
Other current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**3,225**	6,108
Bank overdrafts (GBS and commercial banks)	**0**	0
Drawdown in committed facility	**0**	0
Cash and cash equivalents as in statement of cash flows	**3,225**	6,108

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.

Note 17.2 Third party assets held by the NHS Foundation Trust

Liverpool Women's NHS Foundation Trust held no monies on behalf of patients or other parties at 31 March 2016 (31 March 2015: £nil).

	31 March 2016	31 March 2015
	£000	£000
Bank balances	**0**	0
Monies on deposit	**0**	0
Total third party assets	**0**	0

Note 18 Trade and other payables

	Current		Non-current	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
NHS trade payables	1,620	1,286	0	0
Other trade payables	978	2,436	0	0
Capital payables	100	144	0	0
Social security costs	0	535	0	0
Other taxes payable	0	564	0	0
Other payables	677	601	0	0
Accruals	3,610	1,875	0	0
PDC dividend payable	28	0	0	0
Total	7,013	7,441	0	0

During 2015/16 there were 3 early retirements from the Foundation Trust agreed on the grounds of ill-health (2014/15: 4). The estimated additional pension liabilities of these ill-health retirements is £221k (2014/15: £203k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 19 Other liabilities

	Current		Non-current	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Deferred grants income	0	0	0	0
Deferred goods and services income	0	0	0	0
Deferred rent of land income	0	0	0	0
Other deferred income	1,043	787	1,748	1,675
Deferred PFI credits	0	0	0	0
Lease incentives	0	0	0	0
Total	1,043	787	1,748	1,675

Note 20 Borrowings

	Current		Non-current	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Bank overdrafts	0	0	0	0
Drawdown in committed facility	0	0	0	0
Capital loans from Department of Health	612	306	4,583	5,194
Working capital loans from Department of Health	0	0	5,600	0
Other loans	0	0	0	0
Total	612	306	10,183	5,194

During 2015/16 the Trust arranged a £5.6m Distressed Financing loan with Monitor and the Department of Health to resource the underlying 2015/16 cash deficit of the Trust. The £5.6 million Distressed Financing loan is to be repaid at the end of March 2018 and has an interest rate payable of 1.50%.

During 2014/15 the Trust arranged a £5.5m loan with the Foundation Trust Financing Facility. The loan is repayable over 10 years and has an interest rate payable of 2.00%.

Note 21 Provisions

	Current		Non-current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Pensions relating to other staff	62	61	523	599
Other legal claims	517	522	0	0
Restructurings	741	159	0	0
Other	548	188	0	0
Total	1,868	930	523	599

	Pensions - other staff	Other legal claims	Re-structurings	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2015	660	522	159	188	1,529
Change in the discount rate	0	0	0	0	0
Arising during the year	0	97	691	360	1,148
Utilised during the year	(62)	(90)	(95)	0	(247)
Reversed unused	(20)	(12)	(14)	0	(46)
Unwinding of discount	7	0	0	0	7
At 31 March 2016	585	517	741	548	2,391
Expected timing of cash flows:					
- not later than one year;	62	517	741	548	1,868
- later than one year and not later than five years;	248	0	0	0	248
- later than five years.	275	0	0	0	275
Total	585	517	741	548	2,391

"Pensions - other staff" provisions are for early retirements and reflect actuarial forecasts in respect of duration of payments, the life expectancy of the persons involved and current value of the future stream of payment flows.

"Other legal claims" provisions comprise amounts due as a result of third party and employee liability claims. The values are informed by information provided by third party solicitors. In respect of the LTPS provision this reflects the probability of the cases being settled as estimated by the NHS Litigation Authority.

"Re-structurings" provisions have arisen form the outcome of organisational change proposals that are anticipated to be finalised within the next year.

The "Other" provision is for abortive costs relating to the Combined Heat and Power (CHP) Project and anticipated recharge costs under the provider to provider regime.

The Contingent Liability for the maximum possible but not probable cost of claims is shown in Note 22.

The NHS Litigation Authority records provisions in respect of clinical negligence liabilities of the trust. The amount recorded as at 31 March 2016 was £296,909,624 (£133,046,945 at 31st March 2015).

Note 22 Contingent assets and liabilities

	31 March 2016	31 March 2015
	£000	£000
Value of contingent liabilities		
NHS Litigation Authority legal claims	(27)	(15)
Employment tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
Gross value of contingent liabilities	(27)	(15)
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	(27)	(15)
Contingent Assets		
Net value of contingent assets	0	0

The NHS Litigation Authority Legal Claim contingent liabilities are in relation to legal claim costs which are unlikely to be payable as notified by the NHS Litigation Authority in relation to "Liabilities to Third Parties" (LTPS). The value of Provisions for the expected and probable cases is shown in Note 21.

Note 23 Contractual capital commitments

Contracted capital commitments at the 31st March 2016 not otherwise included in these financial statements are:

	31 March 2016	31 March 2015
	£000	£000
Property, plant and equipment	872	2,994
Intangible assets	0	0
Total	872	2,994

Total capital commitments as at 31st March 2016 was £872k (2014/15: capital commitments £2,994k).

Note 24 Financial Instruments

The carrying value and the fair value are equivalent for the financial assets and financial liabilities shown below in notes 24.1 and 24.2.

Note 24.1 Financial assets by category	31 March 2016 £000	31 March 2015 £000
Trade and other receivables excluding non financial assets	3,418	2,716
Cash and cash equivalents (at bank and in hand)	3,225	6,108
	6,643	8,824

Note 24.2 Financial liabilities by category	31 March 2016 £000	31 March 2015 £000
Borrowings excluding Finance lease and PFI liabilities	10,795	5,500
Trade and other payables excluding non financial liabilities	6,277	6,906
Provisions under contract	2,391	1,529
	19,463	13,935

Note 24.3 Maturity of financial liabilities	31 March 2016 £000	31 March 2015 £000
In one year or less	8,757	8,142
In more than one year but not more than two years	674	674
In more than two years but not more than five years	7,621	2,020
In more than five years	2,411	3,100
Total	19,463	13,935

Note 24.4 Fair values of non-current financial liabilities at 31 March 2016	Book value £000	Fair value £000
Provisions under contract	523	523
Loans	10,183	10,183
Total	10,706	10,706

Note 24.5 Financial risk management

Financial reporting standard IFRS 7 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 Foundation Trust has with commissioners and the way those commissioners are financed, the Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Foundation Trust in undertaking its activities.

The Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Foundation Trust's standing financial instructions and policies agreed by the board of directors. The Foundation Trust's treasury activity is subject to review by the Foundation Trust's internal auditors.

Currency risk

The Foundation Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Foundation Trust has no overseas operations and only had negligible foreign currency income or expenditure transactions. The Foundation Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Foundation Trust borrows from the Department of Health in the form of the Independent Trust Financing Function (ITFF). The borrowing is for 10 years and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Foundation Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Foundation Trust's revenue comes from contracts with other public sector bodies, the Foundation Trust has low exposure to credit risk. The maximum exposures as at 31 March 2016 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Foundation Trust's operating costs are incurred under SLAs with other NHS providers, which are financed from resources voted annually by Parliament. The Foundation Trust receives regular monthly payments from CCGs based on an agreed contract value with adjustments made for actual services provided. The Foundation Trust funds its capital expenditure from either internally generated funds or PDC made available by the Department of Health. The Foundation Trust is not, therefore, exposed to significant liquidity risks.

Price risk

The contracts from NHS commissioners in respect of healthcare services have a predetermined price structure which negates the risk of price fluctuation.

Note 25 Related parties

Transactions with related parties are undertaken on a normal commercial basis. During the year none of the Department of Health Ministers, Foundation Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Liverpool Women's NHS Foundation Trust.

Liverpool Women's NHS Foundation Trust is a public interest body authorised by Monitor, the Independent Regulator for NHS Foundation Trusts. It undertakes as part of its ongoing provision of healthcare services, in accordance with the terms of its authorisation, a number of transactions with bodies defined as being within the scope of the Whole of Government Accounts (WGA) including the Department of Health and other entities that the Department is regarded as the parent department.

During the year Liverpool Women's NHS Foundation Trust has had a significant number of material transactions (totalling £1million or more) with the Department, and with other entities for which the Department is regarded as the parent Department. In addition, the Foundation Trust has material transactions with other government departments. Transactions and balances with these organisations are disclosed below.

	Receivables		Payables	
	31 March 2016	31 March 2015	**31 March 2016**	31 March 2015
	£000	£000	**£000**	£000
Alder Hey Children's NHS Foundation Trust	**102**	94	**148**	506
Aintree University Hospital NHS Foundation Trust	**127**	16	**55**	62
NHS Liverpool CCG	**171**	519	**0**	0
NHS South Sefton CCG	**(57)**	229	**0**	0
NHS Knowsley CCG	**20**	126	**0**	0
Health Education England	**89**	1	**0**	0
NHS Wirral CCG	**(9)**	0	**0**	22
NHS Halton CCG	**(25)**	12	**0**	0
NHS Warrington CCG	**55**	3	**0**	0
NHS Southport and Formby CCG	**25**	10	**0**	17
NHS St Helens CCG	**(18)**	43	**0**	0

Royal Liverpool and Broadgreen University Hospitals NHS Trust	**513**	303	**748**	280
NHS England - North West Commisssioning Hub	**3**	0	**0**	0
NHS England - Cheshire and Merseyside Local Office*	**58**	0	**0**	0
NHS Litigation Authority	**0**	0	**0**	0
NHS Pension Scheme	**0**	0	**0**	742
HM Revenue and Customs	**276**	104	**0**	1099
Welsh Health Bodies - Betsi Cadwaladr University Local Health Board	**201**	9	**0**	0
	1,531	1,469	**951**	2,728

	Income		Expenditure	
	2015/16	2014/15	**2015/16**	2014/15
	£000	£000	**£000**	£000
Alder Hey Children's NHS Foundation Trust	**445**	445	**918**	1,132
Aintree University Hospital NHS Foundation Trust	**194**	158	**1,201**	1,182
NHS Liverpool CCG	**38,107**	37,096	**0**	0
NHS South Sefton CCG	**9,769**	9,266	**0**	0
NHS Knowsley CCG	**6,669**	6,509	**0**	0
Health Education England	**4,528**	5,052	**0**	0
NHS Wirral CCG	**2,529**	2,469	**0**	0
NHS Halton CCG	**1,528**	1,462	**0**	0
NHS Warrington CCG	**1,436**	1,199	**0**	0
NHS Southport and Formby CCG	**1,369**	1,178	**0**	0
NHS St Helens CCG	**1,221**	1,197	**0**	0
Royal Liverpool and Broadgreen University Hospitals NHS Trust	**918**	442	**2,936**	2,792
NHS England - North West Commisssioning Hub	**17,466**	0	**0**	0

NHS England - Cheshire and Merseyside Local Office*	205	0	0	0
NHS Litigation Authority	0	0	10,338	6,689
NHS Pension Scheme	0	0	5,550	5,215
HM Revenue and Customs	0	0	3,571	3,442
Welsh Health Bodies - Betsi Cadwaladr University Local Health Board	1,012	1,032	0	0
	87,396	67,505	24,514	20,452

*NHS England - Cheshire and Merseyside Local Office is a new organisation following the merger of the Cheshire, Warrington & Wirral Area Team and the Merseyside Area Team. For comparative purposes the net Trust Income with these organisations in the preceding 2014/15 financial year was £16,941k and the net receivable was £159k

26. Losses and Special Payments

During 2015/16 there were 50 cases, on an accruals not cash basis, of losses and special payments (2014/15: 3 cases) totalling £1k (2014/15: £6k).

27. Events After The Reporting Period

There are no events after the reporting period which requires disclosure.

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2016/63

Council of Governors' Patient Experience & Membership Engagement Committee

Minutes of meeting held on Tuesday, 21st June 2016
in the Boardroom, Liverpool Women's Hospital

Present:
Sheila Phillips Chair (SP)
Sheila Gwynn Adams, Lead and Public Governor South (SGA)
Mary McDonald, Appointed Governor (MMc)
Pat Speed, Public Governor Sefton (PS)
Carole McBride, Public Governor Sefton (CMc)
John Floey, Staff Governor, Admin, Clerical, Managers, Ancillary and other (JF)
Cynthia Dowdle, Appointed Governor (CD)

IN ATTENDANCE:
Colin Reid, Trust Secretary (CR)
Katherine Wright, Head of Communications & Marketing (KW)
Helen Gavin, Internal Communications and Membership Officer (HG)

13 **Apologies**
Apologies were received from Terri Anne Green.

14 **Meeting Guidance Notes**
Governors received and noted the meeting guidance notes.

15 **Declarations of Interest**
There were no declarations of interest.

16 **Minutes of Previous Meeting Held on Tuesday 12th April 2016**
The minutes of the previous meeting were agreed as an accurate record subject to MRANG maternity packs and patient feedback on FGM being added in. **Action CR**. KW also agreed to follow up if the Trust received invites to the International Women's Day event that took place in the Town Hall. **Action KW**

17 **Matters arising and action points**

Appointment of Chair and Vice Chair
CR asked if any members in attendance would like to put themselves forward for Chair of the Committee or if they would like Sheila Philips to continue in the role. The group unanimously agreed Shelia Philips would remain as Chair for the next 2 years. John Foley said he would like to step down from the Vice Chair role and opened it up to the rest of the Committee. The group agreed a Vice Chair was not needed at this time and would be decided as and when needed.

18 **Terms of Reference**
The Terms of Reference of the Committee were received by the Committee. HG would update the missing data on the back page and remove the 'draft' watermark. **Action HG.**

19 **Patient Experience and Membership Engagement Committee Business Cycle**
The Committee noted the cycle of business and the provisional meeting dates as presented.

20 **Experience Senate Update.**

KW informed the Committee that unfortunately Nina Killen was no longer a Governor therefore she was no longer a member of the Experience Senate. KW asked the committee for volunteers to take over from Nina. Mary McDonald and Sheila Gwynn Adams both volunteered to take up the role. KW will seek assurance both are ok to take on the role from the Head of Patient Experience and feedback to Mary and Sheila asap. **Action KW.**

21 **Marketing and Comms Engagement Strategy**

KW highlighted how the Marketing and Comms Engagement strategy links in with the committee's business cycle. It was noted the next meeting would focus on 'Achieving Meaningful Membership'. HG will bring a membership profile breakdown to the next meeting. **Action HG.** KW also agreed to bring PLACE (an assessment of care environment by a number of stakeholders) to the next meeting. **Action KW.**

Elections

CR informed the committee there are 4 seats up for election. South Liverpool, Rest of England and Wales, Doctors and Midwives. The Committee went on to discuss the publicity around the seats and came up with a number of suggestions which included:

- A meet and greet with existing Governors
- A profile of an existing Governors inc details about their role etc
- Targeting people who are already affiliated with the Trust such as volunteers
- Social Media posts
- Email shots to members
- Text messages
- Links with local groups

It was agreed this would be picked up at the next meeting, along with plans for the Annual Members meeting.

22 **Update on Future Generations Communications and Engagement Strategy**

KW tabled a brief that listed relevant times and dates that the committee needed to be aware of. These included the time scale of the pre consultation 29th July – 15th Aug and the 4 public meetings that will take place across the city. As part of the internal publicity KW informed the committee a stand will be located in Main Reception that will be manned by members of staff and volunteers. KW asked the committee to contact HG if they would be interested in helping man the stand.

SGA asked if we were able to use the TV screens around the Trust to promote FG. HG agreed to speak to IT to see if this was possible. **Action HG.**

SP asked if Governors would receive a briefing pack inc key messages? KW said she would send one out early next week. **Action KW.** SP asked if there would be a similar stand at Aintree? KW agreed to ensure this was taken on board and Aintree was included in the Comms. **Action KW.**

JF highlighted charity runs at Aintree and Liverpool One as good places to have leaflets.

23 **Any Other Business**

SGA asked if there had been any progress with the Governor page on the website? KW updated the committee on the recent tendering process around appointing a website provider. It was noted that as part of the new website there are plans to have a Governor only section where Governors can access documents etc. It was noted a more in depth look at the website is scheduled for the next meeting.

MMc highlighted the governor picture board in Main Reception is out of date. HG agreed to review and update the board. **Action HG**

SGA informed the committee of engagement work that the Royal Liverpool Hospital are currently doing for patients and public. KW agreed to speak to the Royal to see how it is working out for them in terms of attendance etc. **Action KW.**

SP formally thanked John Foley for supporting her as Vice Chair of the committee and praised his time, effort and commitment to the work of the group over the years.

24 **Review of meeting** – review the effectiveness of the meeting in achieving objectives/desired outcomes and management of time

25 **Date, time and place of next meeting**:
Tuesday, 8th August 2016, in the Boardroom Liverpool Women's Hospital

Agenda item no:	2016/64

Meeting:	Council of Governors

Date:	20th July 2016

Title:	Update on CCG Review/ Future Generations

Report to be considered in public or private?	Private

Where else has this report been considered and when?	n/a

Reference/s:	

Resource impact:	

What is this report for?	Information	✓	Decision		Escalation		Assurance	✓

Which Board Assurance Framework risk/s does this report relate to?	

Which CQC fundamental standard/s does this report relate to?	Person Centred Care

What action is required at this meeting?	For noting

Presented by:	Dianne Brown, Director of Nursing and Midwifery

Prepared by:	

This report covers (tick all that apply):

Strategic objectives:	
To develop a well led, capable motivated and entrepreneurial workforce	✓
To be ambitious and efficient and make best use of available resources	✓
To deliver safe services	✓
To participate in high quality research in order to deliver the most effective outcomes	✓
To deliver the best possible experience for patients and staff	✓

Other:			
Monitor compliance	✓	Equality and diversity	✓
Operational plan		NHS constitution	

Publication of this report (tick one)**:**	
This report will be published in line with the Trust's Publication Scheme, subject to redactions approved by the Board, within 3 weeks of the meeting	✓
This report will not be published under the Trust's Publication Scheme due to exemptions under S21 of the Freedom of Information Act 2000, because the information contained is reasonably accessible by other means	
This report will not be published under the Trust's Publication Scheme due to exemptions under S22 of the Freedom of Information Act 2000, because the information contained is intended for future publication	
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National Inpatient Survey 2015

Introduction & Methodology

The results presented here are from the National Inpatient Survey 2015, carried out by Picker Institute Europe on behalf of Liverpool Women's NHS Foundation Trust. The survey is based on a sample of consecutively discharged patients who attended the Trust June, July or August 2015. The survey was undertaken by a postal questionnaire, sent to patients' home addresses. This inpatient survey is for women accessing Gynaecology Services only, as Maternity and Neonatal Services have their own survey schedule. The frequency of the audits is decided by the Picker Institute.

Patients were sent a questionnaire, a covering letter from the Trust's Chief Executive, a multiple language sheet offering help with the survey, and a freepost envelope. Patients wishing to complete the survey filled it in and returned it to the Picker Institute in the freepost envelope. Non-responders were sent a reminder card after 2-3 weeks and another questionnaire after a further 2-3 weeks.

1115 patients were eligible for the survey, of which 539 returned a completed questionnaire, giving a response rate of 48% (the national average was 45%). This represents a slight decrease in response for the Trust from the 2014 survey when the response rate was 50%.

Liverpool Women's Hospital scored within the best-performing category on 46 of the 67 questions relevant to its service. There were no areas where patients felt that the hospital should be part of the worst performing trusts category

High Level Findings

The survey asks patients 62 questions. The 62 questions are grouped into 8 sections, mirroring the patient journey. The following chart shows the difference between the overall Trust score in each section compared to both its own historical results and the results of all other participating Trusts.

	LWH vs Other Trusts	LWH vs. LWH 2014
Admission to Hospital	**7.5%**	**0%**
The Hospital & Ward	**7%**	**2%**
Doctors	**15%**	**2%**
Nurses	**11.5%**	**4%**
Care & Treatment	**12%**	**4%**
Operations & Procedures	**6.5%**	**2.5%**
Leaving Hospital	**9%**	**1%**
Overall Experience	**8%**	**3%**

The Trust scored better than other Trusts for all 8 sections. The Trust scored better than in 2014 survey for 7 sections, and the same in 1.

Detailed Findings

Results were significantly better than the average of other Trusts for 55 questions, similar for 10 and significantly worse for 0 questions.

The Trust had worsened significantly on 1 question. This outlier is shown below:

	2014	2015
Hospital: room or ward not very or not at all clean	0%	1%

This has been discussed at the Experience Senate and at the time of the survey the rooms were due for a refurbishment and did look a bit tired. Since the survey the rooms have been refurbished so hopefully the 2016 survey will show an improvement in this area. The matron's checklist also looks at cleanliness and this has not shown any issues and there have been no complaints or PALS issues raised regarding cleanliness. There was a PLACE assessment carried out on 11th May 2016 with findings submitted to Department of Health, this included an area on condition and appearance of the environment – a few areas were picked up but the Trust's scores compared to the national average or previous year's scores will not be published until August/September 2016. An action plan with details of issues raised during the assessment will be reported to the Experience Senate, Nursing & Midwifery Board and, where relevant the Infection Prevention & Control Committee.

The Trust had improved significantly on the following 8 questions.

	2014	2015
Hospital: bothered by noise at night from staff	17%	12%
Hospital: did not always get enough help from staff to eat meals	27%	12%
Nurses: did not always have confidence and trust	20%	15%
Nurses: sometimes, rarely or never enough on duty	31%	23%
Care: wanted to be more involved in decisions	29%	23%
Care: not always enough emotional support from hospital staff	35%	28%
Care: staff did not do everything to help control pain	24%	17%
Overall: did not always feel well looked after by staff	20%	12%

Future Patient Surveys

The 2016 National Inpatient Survey will be beginning in August.

There is currently a consultation on the CQCs NHS patient survey programme. In Summary the proposed changes are:

Incorporating questions from the outpatient survey into the inpatient survey
Introducing the children and young people's survey in its place
Reviewing all urgent care provision, acute trusts could have greater confidence that their A&E survey results reflect the population that needs urgent care.

Proposal to carry out a community health survey that would enable community health providers
Providers of community mental health services would be unaffected by the proposed changes to coverage.
Increase in frequency to a two-year rather than a three-, which is likely to incur an additional cost of between £1,000 and £2,500 a year to those trusts. In practice
This would mean running two acute surveys in 2017/18 (adult inpatient and maternity surveys) and three acute surveys in 2018/19 (adult inpatient, A&E and children and young people's survey).

Agenda item no:	2016/65

Meeting:	Council of Governors

Date:	20 July 2016

Title:	Governor Elections 2016

Report to be considered in public or private?	Public

Where else has this report been considered and when?	N/A

Reference/s:	Trust Constitution

Resource impact:	

What is this report for?	**Information**	✓	**Decision**		**Escalation**		**Assurance**	

Which Board Assurance Framework risk/s does this report relate to?	**None.**

Which CQC fundamental standard/s does this report relate to?	CQC standard: Good governance'.

What action is required at this meeting?	

Presented by:	Chair

Prepared by:	Colin Reid, Trust Secretary

This report covers (tick all that apply):

Strategic objectives:	
To develop a well led, capable motivated and entrepreneurial workforce	✓
To be ambitious and efficient and make best use of available resources	✓
To deliver safe services	✓
To participate in high quality research in order to deliver the most effective outcomes	✓
To deliver the best possible experience for patients and staff	✓

Other:			
Monitor compliance	✓	Equality and diversity	✓
Operational plan		NHS constitution	

Publication of this report (tick one)**:**	
This report will be published in line with the Trust's Publication Scheme, subject to redactions approved by the Board, within 3 weeks of the meeting	✓
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1. Introduction

Elections are underway to the Trust's Council of Governors.

This report confirms the seats that are included in the election and the associated timetable.

2. Governor Elections 2016

The following seats are currently being elected to:

Public

South Liverpool				
Vacancy (Emily Fallows)				
Rest of England and Wales				
Geoffrey Tattersall*	3 years	2013	2016	

Staff

Doctors				
Dr Adel Soltan*	3 years	2013	2016	
Midwives				
Gillian Walker*	2 year	2014	2016	

* Currently in their first term and can be re-elected.

All seats are for terms of office of three years. .

3. Timetable

The results of all elections will be known just prior to the Annual Members' meeting which takes place on Saturday 8 October.

ELECTION STAGE	
Notice of Election / nomination open	**Wednesday, 10 Aug 2016**
Nominations deadline	Thursday, 25 Aug 2016
Summary of valid nominated candidates published	Friday, 26 Aug 2016
Final date for candidate withdrawal	Wednesday, 31 Aug 2016
Voting packs despatched	Thursday, 15 Sep 2016
Close of election	Wednesday, 5 Oct 2016
Declaration of results	Thursday, 6 Oct 2016

4. Conclusion

Elections are underway to the Council of Governors. All Governors elected will commence their term of office at the conclusion of the Annual Members' Meeting on Saturday 10 October 2015.

5. Recommendation/s

The Council of Governors is asked to receive this report.

Agenda item no:	2016/66

Meeting:	Council of Governors

Date:	20 July 2016

Title:	Board Assurance Committee updates

Report to be considered in public or private?	Public

Where else has this report been considered and when?	N/A

Reference/s:	Board meetings

Resource impact:	

What is this report for?	**Information**	✓	**Decision**		**Escalation**		**Assurance**	

Which Board Assurance Framework risk/s does this report relate to?	**All**

Which CQC fundamental standard/s does this report relate to?	Well Led

What action is required at this meeting?	

Presented by:	Chair of Board Committees

Prepared by:	

This report covers (tick all that apply):

Strategic objectives:	
To develop a well led, capable motivated and entrepreneurial workforce	✓
To be ambitious and efficient and make best use of available resources	✓
To deliver safe services	✓
To participate in high quality research in order to deliver the most effective outcomes	✓
To deliver the best possible experience for patients and staff	✓

Other:			
Monitor compliance	✓	Equality and diversity	✓
Operational plan		NHS constitution	

Publication of this report (tick one):	
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Board Assurance Committee updates

Attached are the Chair's report to the Board Committees held during the first quarter of 2016/17 and prior to the Council of Governors meeting to be held on 20 July 2016.

The Council will receive an update on the work of each of the Committees from the non-executive director Chair or non-executive director member of the committee.

One of the key area's each committees would like to bring to the attention of the Council is Neonatal services and in particular the quality of services, operational, financial aspects of Neonatal service and this will be a discussed at the Council meeting on 20 July 2016.

Committee Chair's report of GACA held
On 27th May 2016

1. Agenda items covered

Quarterly review of compliance CQC Fundamental standards (CQC inspection reports).

- GACA received a report, now that the action plan following the CQC Inspection (Feb 2015) has been completed, about plans to test and assure ourselves about compliance, in advance of future inspections.
- On a bi-annual basis, starting later this month, the Trust will run an exercise where a team of staff conduct numerous KLOE audits over the course of two days as a mock inspection. It is expected that the actions from local audits, combined with information from SIs, complaints, stakeholder feedback etc, will provide the intelligence to prioritise the areas of the Trust that may need a thematic/full/follow up audit. This local intelligence will also feed into the planning for the Trust wide bi-annual review, which will be reported to GACA in due course.

RSM Internal Audit - Follow Up of Care Quality Commission (CQC) Action Plan

- There were actions in the CQC action plan for 2015, and the committee received a report in the internal audit findings from RSM on a review of the 'could do' (low level) actions. This internal audit was agreed with the CQC and CCG and they considered this to be good practice, rather than an essential.
- RSM selected and tested a random sample of (10) recommendations to confirm that progress has been made to implement the sampled recommendations in line with the Trust's reported implementation status. RSM concluded that "management has demonstrated **reasonable progress** in implementing the sample of 10 (out of 39) CQC recommendations we have considered as part of this review." 4 of the 10 areas that RSM audited had not been fully completed, and the committee debated, at length, the importance of this. I am grateful to executive colleagues over the last week who have sought to provide additional assurance of compliance with the CQC action plan. The 4 outstanding areas were all low priority, process related, actions.

Progress against quality strategy

- The committee received a progress report against the Quality Strategy priorities.
- 12 objectives were identified as completed in 2014-15. Of the 16 objectives identified for 2015-16, 13 were identified as completed. There were 6 priorities within the 2015-16 Quality Account that the Trust failed to deliver against target. The committee debated the relevance of some of the indicators, and further work is to be undertaken in the redraft of the strategy for 2017.

Clinical Audit Work Programme

- The Committee received the Clinical Audit Work Programme for 2016, which it felt was extensive and robust. It approved the programme.

National Inpatient Survey

- The committee received a report of the National Inpatient survey, and were assured that The Trust's patients scored the Trust as significantly better than the average of all other Trust at each stage of their care, from admission to discharge.
- Improvements have been made throughout the care pathway since the last National Inpatient Survey was conducted, and early indications are that the Trust is likely to be among the top performers in the country when Trust level results are published in June,

Safety, Effectiveness and Experience (SEE) Report

- The committee received the regular SEE report, and considered its content. It was concerned about the(national and local) increase in safeguarding concerns / cases, and has asked for a full report for assurance to ensure that we are effectively resourced to respond to these.

Subcommittee chairs reports: including Safe Senate; Effective Senate; Experience Senate

- The committee was disappointed that it did not have all chairs reports, which are an important part of the assurance for the Trust, and work is being undertaken to improve this going forward.

2. Risk Register / BAF risks reviewed

There were no additional risks identified at this stage, although committee noted that the CQC KLOE review may identify areas.

3. Action required by board

None at present.

Chairs Report provided by
Tony Okotie
GACA Chair

1 June 2016

Agenda item no:	16/174

Meeting:	Trust Board Meeting

Date:	1 July 2016

Title:	Chair's Report - Putting People First Committee

Report to be considered in public or private?	Public

Where else has this report been considered and when?	

Reference/s:	

Resource impact:	

What is this report for?	**Information**	**X**	**Decision**		**Escalation**		**Assurance**	**x**

Which Board Assurance Framework risk/s does this report relate to?	

Which CQC fundamental standard/s does this report relate to?	Well led

What action is required at this meeting?	Board is asked to note the work f the PPF committee and the minutes of the PPF Committee held on 17 June 2016

Presented by:	Tony Okotie, Chair of the PPF Committee

Prepared by:	

This report covers (tick all that apply):

Strategic objectives:	
To develop a well led, capable motivated and entrepreneurial workforce	**X**
To be ambitious and efficient and make best use of available resources	**X**
To deliver safe services	**X**
To participate in high quality research in order to deliver the most effective outcomes	
To deliver the best possible experience for patients and staff	**X**

Other:			
Monitor compliance		Equality and diversity	
Operational plan		NHS constitution	

Publication of this report (tick one)**:**	
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Board of Directors

Committee Chair's report of PPF Committee meeting held 17 June 2016

1. **Agenda items covered**

- Staff Story – Theatres – a member of theatre staff presented their story focusing on their decision to leave the Trust in order to progress her theatre career and her experience on returning to the Trust following the Theatre's skill mix and organizational review

- Surgical Services Workforce Review – a deep dive presented by the senior management team of surgical services & theatres into the workforce risks, challenges, mitigation and longer term plans to address those risks

- Neonatal Workforce Review – a deep dive presented by the senior management team into neonatal services workforce risks, which were mainly associated with recruitment of neonatal staff, national shortage of neonatal staff, a high level of maternity leave and funding of this specialist commissioned service. The Committee heard the actions being taken to address the immediate pressures in the system, and the longer term negotiations with NHS England. Remit to GACA deep dive into impact of cot closures on maternity eg transfers/delayed procedures

- Clinical Excellence Awards 2015 – Outcomes report

- Workforce Race Equality Scheme 2015 – national & local outcomes on BME staff experience

- Director of Workforce Report – update on Apprenticeship Levy, Workforce Plan 2016/17, Staff Survey follow up actions

- HR Key Performance Indicators – Committee seeking further assurance that recruitment KPIs are robust and timely, to limit vacancy period

- Bi-Annual Safe Staffing Review – Committee assured of safely staffed services and areas for review as part of budget setting for 2017/18

- 12 Month Report on Disciplinary & Grievance processes – Committee noted reduction in time to investigate issues and length of suspension reducing

- Volunteer Strategy & Workplan

- Internal Communications & Engagement Strategy

- Putting People First Committee Annual Report 2015/16

- Policies approved

- Special Leave Policy
- Supporting Staff Policy
- Induction Policy
- Mandatory Training & Development Policy
- Removal & Related Expenses for Consultant Medical Staff SOP

Board Assurance Framework (BAF) risks reviewed

- All Committee relevant BAF risks were reviewed and no amendments recommended.
- No new risks identified

2. Issues to highlight to Board

- **Workforce Race Equality Schemes –** Committee remitted this national outcomes report to Diversity & Inclusion Committee to identify actions required to improve BME staff experience
- **HR Key Performance Indicators Update:** Turnover has reduced slightly but remains high in corporate services. Further work is underway with corporate teams and via exit interviews to understand impact of Future Generations Strategy and identify required actions.
- **Neonatal Workforce** – Workforce review highlighted the need to continue to influence at specialist commissioner and national level with respect to investment in staffing; also highlighted impact of decisions to reduce cot numbers on maternity transfers
- **Theatres Workforce –** Significant and continuing pressures relating to anaesthetics medical staffing resulting from changes to training at national level and proactive approach being taken by Clinical Director looking to pool resources across organisations to address the shortfalls and make posts more attractive to potential candidates.

3. Action required by Board

Chair report provided by:

Tony Okotie

Date: 21 June 2016

BoD agenda item 16/173

Committee Chair's report of the FPBD Committee

meeting held on 20th June 2016

1. Agenda items covered

This was not a full quarterly meeting and addressed the following agenda items:

- Update from NHSI Progress Review Meeting
- Month 2 Finance and Key Performance Indicator Report
- Marketing Strategy
- Liverpool Clinical Laboratories MOU
- CCG Strategic Review

The Committee received the Month 2 Finance and Key Performance Indicator report which is reported to the Board at the meeting on 1 July 2016. The Committee noted the Finance report recognising the continued pressures on cash. The Committee received an update on the month 2 KPI's which is to be reported to the Board on 1 July. The Committee noted that a number of the Red KPIs had no achievement date identified, this is to be addressed for the next committee so that improvements can be effectively managed.

The Communications, Marketing and Engagement strategy was presented. It was agreed that further work was needed to clarify the financial costs and benefits of the strategy. A more detailed review is to be carried out in the Q1 FPBD and that the Director of Finance should have the authority to approve any spending required before the Q1 meeting.

The MOU for the proposed Joint Venture with Liverpool Clinical Laboratories for genetic services was tabled for review and approval. This item was put on hold following the refusal by LCL to agree to the price reductions on the pathology contract and the matter was escalated to the CEO.

The CCG Strategic review was discussed and it was noted that the options appraisal is on track to be completed by the end of June with the public consultation to begin in November. The committee recognised that it was critical that this is progressed in a timely manner.

2. Board Assurance Framework risks

No new risks or amendments to existing risks proposed. The adjustment to the risk rating agreed at the April FPBD committee, for delivery of the 2016/17 financial plan as 5a and longer term risks as 5b, were reflected in the BAF.

3. Issues to highlight to Board

Difficulties around the pathology contract negotiations with LCL may impact the timing and delivery of the proposed JV for genetics services.

4. Risk Register recommendations

Risks reviewed, no amendments proposed.

5. Action required by Board

CEO to progress discussions with LCL regarding pathology contract and proposed joint venture for genetic services.

Board to assess possible impact of limited central capital available, on delivery of preferred Future Generations strategy.

Chairs Report provided by:

Jo Moore
Chair of FPBD

NHS Improvement

Single Oversight Framework
Consultation

June 2016

About NHS Improvement

NHS Improvement is responsible for overseeing NHS foundation trusts, NHS trusts and independent providers. We offer the support these providers need to give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable. By holding providers to account and, where necessary, intervening, we help the NHS to meet its short-term challenges and secure its future.

NHS Improvement is the operational name for the organisation that brings together Monitor, NHS Trust Development Authority, Patient Safety, the National Reporting and Learning System, the Advancing Change team and the Intensive Support Teams.

Contents

1. Context

In recent years, the NHS has achieved improvements in care and delivered efficiencies during a time of increasing financial pressure caused by slowing growth in the NHS budget and rising demand. The need to respond effectively to this continuing increase in demand during a period of limited funding growth was the key impetus for the NHS Five Year Forward View (5YFV).

Part of the national response to the ambitious and stretching tasks highlighted in the 5YFV was to create NHS Improvement, reflecting that NHS trusts and foundation trusts face similar challenges. On 1 April 2016, NHS Improvement became the operational name that brings together Monitor, the NHS Trust Development Authority (TDA), Patient Safety, the Advancing Change Team and Intensive Support Teams. The specific legal duties and powers of Monitor and TDA persist.[1] We will build on the best of what these organisations did but with a change of emphasis to one primarily focused on helping NHS trusts and foundation trusts to improve. We will provide strategic leadership, oversight and practical support for the trust sector.

We will support NHS trusts and foundation trusts[2] to give patients consistently safe, effective, compassionate care within local health systems that are financially and clinically sustainable. We will work alongside providers, building deep and lasting relationships, harnessing and spreading good practice, connecting people, and enabling sector-led improvement and innovation. We will stimulate an improvement movement in the provider sector, helping providers build improvement capability, so they are equipped and empowered to help themselves and, crucially, each other. Our aim is to help providers attain, and maintain, Care Quality Commission (CQC) ratings of 'Good' or 'Outstanding'.

The challenges facing the system require a joined-up approach and increased partnership between national bodies. We are committed to working more closely with the CQC, NHS England and other partners, at national, regional and local levels.

2. This consultation

This document sets out the approach NHS Improvement proposes to take in overseeing providers using a Single Oversight Framework for both NHS trusts and

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[1] NHS Improvement will be clear on which duties and powers of Monitor and the TDA it is exercising at both Board and executive level. Non executive positions are joint and the executive decision-making structure accommodates appropriately constituted committees to enable the exercise of respective functions.

[2] For the purposes of this document and our framework, we will use the term 'providers' to mean NHS trusts and NHS foundation trusts. This document does not apply to Independent Sector Providers: *The Risk Assessment Framework for Independent Providers* (available at https://www.gov.uk/government/publications/risk-assessment-framework-independent-sector-providers-of-nhs-services) covers our statutory duty to assess financial risk at those organisations where they provide Commissioner Requested Services (CRS).

foundation trusts and shaping the support we provide. It describes our proposed approach to:

- the main areas of focus of our oversight
- how we will collect the information we require from providers
- how we will identify potential concerns with a provider's performance
- how we will segment the provider sector according to the level of challenge each provider faces.

The purpose of this framework is to identify where providers may benefit from, or require, improvement support across a range of areas (see below). This will inform the way we work with each provider. This framework does not detail the improvement support we will provide as in each case this will be individually tailored to address what a provider needs help with. We ask a number of specific questions on our proposed approach through the document, and these are collected together in Section 8 and at the survey website (see below for link).

We are still considering our approach to oversight in a number of areas, including how well a provider is managing strategic change, and we are using this exercise to invite views on how we should proceed.

The Single Oversight Framework will replace Monitor's risk assessment framework and TDA's Accountability Framework. It is a 'Single' Oversight Framework because it applies to both NHS trusts and foundation trusts. As far as possible, we will combine and build on the previous approaches of Monitor and TDA, but adapt them to reflect and enable our primary improvement role. Any changes from these frameworks are intended to be as much as possible incremental in nature. The changes we are making are intended to reflect the challenges providers face and initiatives to support them. All other related policies and statements, unless indicated, remain unchanged.

The Single Oversight Framework set out in this document reflects the continuing statutory duties and powers of Monitor with respect to NHS foundation trusts and of TDA with respect to NHS trusts (whereby the TDA exercised functions via directions from the Secretary of State).

Alignment with CQC

CQC sets out what good and outstanding care looks like, asking five key questions of all care services: Are they safe, are they effective, are they caring, are they responsive to people's needs, and are they well-led? These questions will be supplemented by a forthcoming assessment of the use of resources being jointly developed by CQC and NHS Improvement.

NHS Improvement will support providers in attaining and/or maintaining a CQC 'good' or 'outstanding' rating, covering the areas listed above. We will do this by focusing on five themes. As set out in the next section, these five themes are linked to CQC's key questions, but are not identical to those questions. This is because: CQC's questions do not yet incorporate use of resources; we have a particular role in supporting improvement in performance against the NHS Constitution standards for patients; and because our approach to improvement incorporates the strategic changes within local health economies that will be needed to assure high-quality services in the longer term.

We will continue to work with CQC to align our approaches more fully as we move towards a single combined assessment of quality and use of resources. We welcome views on this as part of the consultation.

Lord Carter's report, *Operational productivity and performance in English NHS acute hospitals: Unwarranted variations*[3], recommended the development of an integrated performance framework to ensure there is a single set of metrics and approach to reporting, reducing the reporting burden in order to allow providers to focus on improving quality and efficiency. In line with this recommendation, we are working with the CQC and with the provider sector to ensure that we draw on a single, shared set of metrics both to review performance and to decide where to target support or oversight.

Responding to the consultation

We are looking forward to collecting the views of providers and stakeholders on our proposals. We ask all interested parties and stakeholders to respond to the consultation by **5pm on 4 August 2016**. To do so please use the survey link: https://www.surveymonkey.co.uk/r/JBCFCMY. If you have trouble accessing this please email us at NHSI.singleoversightframework@nhs.net. During the consultation period we will run engagement events to (i) get views, answer queries and clarify points; and (ii) get more detailed input from the sector on certain areas.

Confidentiality

Please let us know if your response is in confidence. Your name and/or that of your organisation will then not be given in our published summary of responses.

If you would like just part of your response (instead of or as well as your identity) to be confidential, please make this obvious by marking those parts we should keep confidential.

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[3] Available at www.gov.uk/government/uploads/system/uploads/attachment_data/file/499229/Operational_productivity_A.pdf

We will do our best to meet all requests for confidentiality, but because we are a public body subject to freedom of information legislation we cannot guarantee that we will not be obliged to release your response (including potentially your identity) or part of it even if you say it is confidential.

3. Summary of our proposed approach to overseeing providers

NHS Improvement will use the new oversight framework to identify where providers need support in any of five areas (which we will refer to as themes):

- **Quality of care**: we will use CQC's most recent assessments of whether a provider's care is **Safe**, **Caring**, **Effective** and **Responsive**, in combination with in-year information where available. We will also include delivery of the four priority standards for 7 day hospital services.
- **Finance and use of resources:** we will oversee a provider's financial efficiency and progress in meeting its financial control total. We are co-developing this approach with CQC.
- **Operational performance:** we will support providers in improving and sustaining performance against NHS Constitution and other standards. These will include A&E waiting times, referral to treatment times, cancer treatment times, ambulance response times, and access to mental health services.
- **Strategic change:** working with system partners we will consider how well providers are delivering the strategic changes set out in the 5YFV, with a particular focus on their contribution to Sustainability and Transformation Plans (STPs), new care models, and, where relevant, implementation of devolution.
- **Leadership and improvement capability:** building on the joint CQC and NHSI well-led framework, we will develop a shared system view with CQC on what good governance and leadership looks like, including organisations' ability to learn and improve.

By focusing on these five themes we will support providers to improve to attain and/or maintain a CQC 'good' or 'outstanding' rating. Quality of care, finance and use of resources, and operational performance relate directly to sector outcomes. Leadership and improvement capability is crucial in ensuring that providers can deliver sustainable improvement. Strategic change recognises that organisational accountability and system-wide collaboration are mutually supportive.

We welcome the sector's views on how we can most effectively align NHS Improvement's approach to support and oversight with CQC's framework for assessing providers.

Consultation question 1: What should we consider in seeking to ensure NHS Improvement and CQC's frameworks are as aligned as possible?

The Single Oversight Framework

NHS Improvement's Single Oversight Framework is intended to:

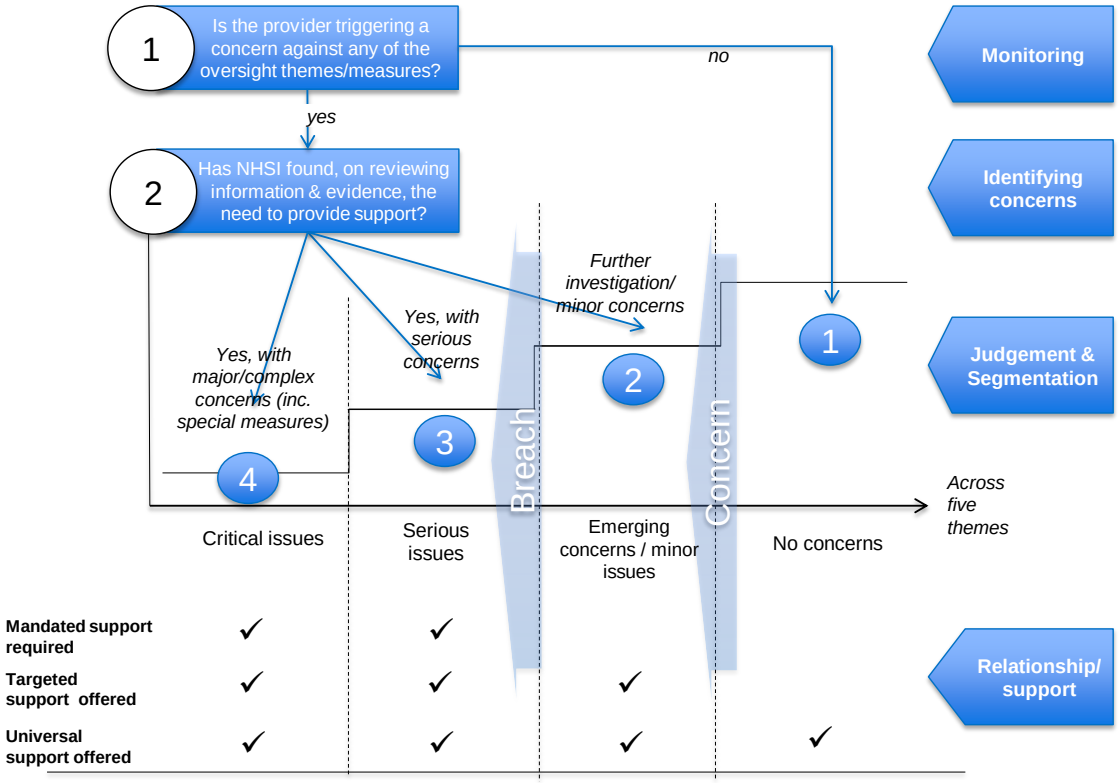
- provide one framework to oversee providers, irrespective of their legal form
- help us identify problems, and risks of problems, as they emerge
- pinpoint the source of the problem, allowing us to tailor our support packages to the specific needs of providers and local health systems. These packages will draw on expertise from across the sector as well as within NHS Improvement.

NHS Improvement will need to be flexible in how it carries out its role. For example, we may need to respond quickly and proactively to unexpected issues in individual providers or sets of providers, or to policy changes at a national level. We may, therefore, from time to time, adjust our approach, for example:

- add/remove some metrics from our oversight of providers
- increase the frequency of our data collection
- act sooner than the general threshold set in the framework.

We propose to segment the provider sector according to the scale of issues faced by individual providers. This will be informed by data monitoring and, importantly, judgement based on an understanding of providers' circumstances. Figure 1 sets out our proposed approach.

Figure 1: Summary of our approach



The segment a provider is in will determine the nature of the support we provide. While this will be tailored to the circumstances of providers, we have identified three broad categories of support for providers – universal offers, targeted offers and mandated – which will link to the segment they are in – see section 7.

Segmentation does not in itself constitute an assessment of provider performance. NHS Improvement teams will work with providers to determine the appropriate, tailored, support package for each, including directly provided support and support facilitated by, for example, other parts of the sector.

The legal basis for actions in respect of NHS trusts and NHS foundation trusts remains unchanged. This means that, for example, a foundation trust will only be in segments 3 or 4 where it has been found to have been in breach or suspected breach of its licence. Mandated support for foundation trusts[4] continues to follow existing policy set out in the Enforcement Guidance.[5]

3.1. Other considerations

The NHS Provider Licence

The statutory obligations of Monitor and TDA continue within NHS Improvement. Therefore, NHS Improvement must ensure the operation of a licensing regime over all eligible NHS providers. The NHS provider licence[6] forms the legal basis for Monitor's oversight of foundation trusts and can be found here. While NHS trusts are exempt from the requirement to apply for and hold the Monitor provider licence itself, Directions from the Secretary of State require TDA to ensure that NHS trusts comply with conditions equivalent to the licence as it deems appropriate. This includes giving directions to an NHS trust where necessary to ensure compliance.

The Single Oversight Framework applies equally to NHS foundation trusts and NHS trusts, and we aim to treat all providers in comparable circumstances similarly unless there is sound reason not to. Consequently NHS Improvement will base our oversight of all providers – NHS trusts and foundation trusts – on the conditions of the NHS provider licence.[7]

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[4] Based on s.105, s.106 or s.111 of the Health and Social Care Act 2012
[5] We will look to update the Enforcement Guidance in due course and consult as appropriate
[6] https://www.gov.uk/government/publications/the-nhs-provider-licence
[7] For the most part, this is likely to entail holding providers to account against the standards in condition FT4 – the NHS foundation trust governance condition, but our scope extends to the entire NHS provider licence (see www.gov.uk/government/publications/the-nhs-provider-licence). For completeness it should be noted that NHSI has functions and powers in addition to those stemming from the Monitor provider licence in relation to both NHS Trusts and Foundation Trusts and the Single Oversight Framework does not cover these additional matters.

4. Monitoring providers

We will use information from our data monitoring processes to identify where providers are triggering a potential concern in one or more of the five themes (which indicates they are not in segment 1 and may benefit from support) and judgement, based on consistent principles, to determine whether or not they are in breach of licence – or the equivalent for NHS trusts – and, if so, whether the issues are serious or very serious/complex.

We will collect information on providers (see Figure 2) – either directly or from third parties. We will seek to ensure that the collection burden is proportionate and, where possible we will use nationally available information.[8] We will collect, for example:

- regular financial and operational information
- annual plans
- third-party information
- any ad-hoc or exceptional information that can be used to oversee providers according to the five themes.

Figure 2: Summary of information requirements for monitoring

	In-year	Annual/ less frequently	Ad hoc
Quality of care	In-year quality information to identify any areas for improvement (see Appendix 2)	Annual quality information	Results of CQC inspections CQC warning notices, fines, civil or criminal actions and information on other relevant matters
Finance & Use of Resources	Monthly returns	Annual plans	One-off financial events (eg sudden drops in income/ increases in costs) Transactions/mergers
Operational performance	Monthly/quarterly(in some cases weekly) operational performance information (see Appendix 3)		Any sudden & unforeseen factors driving a significant failure to deliver
Strategic change	Delivery of Sustainability and Transformation Plans (STPs) Progress of any new care models, devolution plans	Sustainability and Transformation Plans (STPs)	Any sudden & unforeseen factors driving a significant failure to deliver
Leadership & improvement capability	Third-party information with governance implications[1] Organisational health indicators - staff absenteeism - staff churn - board vacancies	Staff & patient surveys Third-party information with governance implications[1]	Findings of well-led reviews Third-party information with governance implications[1]

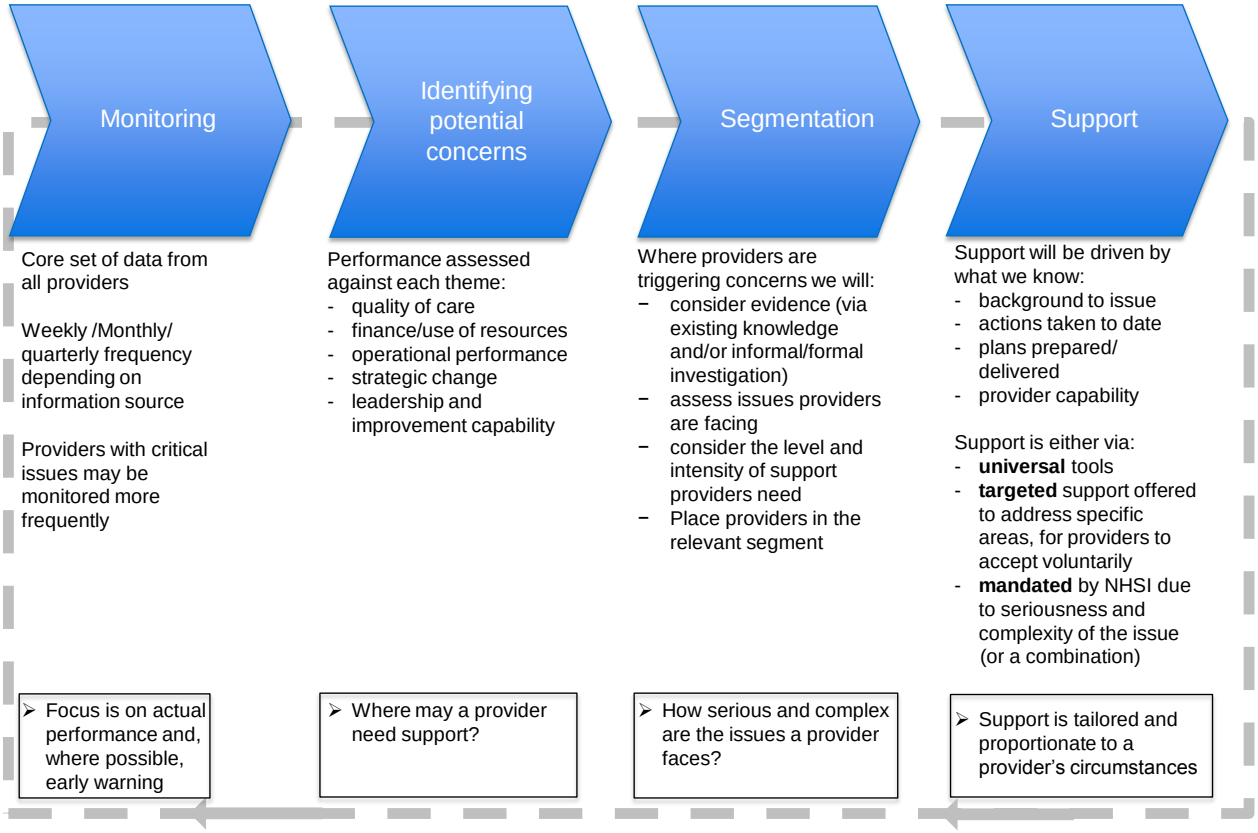
[1] eg reports from Quality Surveillance Groups (QSGs), GMC, Ombudsman, CCGs, Healthwatch England, auditors, Health & Safety Executive, Patient groups, complaints, whistleblowers, Medical Royal Colleges

Collection will be:

[8] Eg in reviewing performance against national targets and standards.

- **in-year**: following a regular in-year monitoring cycle (see Figure 3), using weekly/monthly/quarterly/six-monthly collections as appropriate
- **annual:** using annual provider submissions (eg Annual Plans, Annual Statements on Quality) or other annually published data (eg staff surveys)
- **ad-hoc/by exception:** NHS Improvement will be as agile as possible in responding to issues identified at providers. Where material events occur, or we receive information that triggers our concerns outside the regular monitoring cycle, we will consider these in our view as to whether there are potential concerns at the provider and the steps we need to take.

Figure 3: NHS Improvement's oversight cycle



During 2016/17, we will use the existing Monitor and TDA oversight templates to collect information. We will give notice of changes to the collection as we develop our processes to gather information from providers.

Consultation question 2:

(i) Do you agree with our proposed approach to the oversight of providers?

(ii) Do you consider that regular reporting should be on a weekly/ monthly or quarterly basis? Are there circumstances where oversight should be more or less frequent than these intervals?

(iii) Do you have any further comments on our overall approach?

5. Identifying potential concerns

We will use the information we collect on provider performance to identify where providers need support. Our oversight focuses on identifying 'triggers' of potential concern in each theme.

Our approach in each theme is set out below and summarised in Appendix 1. Where providers are triggering any of these potential concerns, we will consider the circumstances surrounding the triggers to determine the nature of any support required. Practically, we are likely to consider:

- the **extent** to which the provider is triggering a potential concern
- any **associated circumstances** the provider is facing
- the degree to which the provider **understands what is driving the issue**
- the provider's **capability** and the **credibility of plans it has developed** to address the issue
- the extent to which the provider **is delivering against a recovery** trajectory.

We will engage with providers on an ongoing basis. When providers trigger potential concern, we will consider whether the level of interaction needs to change to monitor the issue and the provider's response to it. How we propose to identify potential concerns against each theme is set out below.

5.1. Quality of care

Where CQC's assessment identifies a provider as 'inadequate' or 'requires improvement' against any of the **Safe**, **Caring**, **Effective** or **Responsive** key questions, this will represent a potential concern and we will consider what support is appropriate for the provider.

We will supplement CQC's inspection findings with warning notices, any civil or criminal actions or changes to registration conditions to ensure that we use the most up to date CQC views of quality and also that their views on quality at providers yet to be inspected can be incorporated.

In a continuation of TDA's approach, we will use a number of additional in-year quality-related metrics to identify emerging issues and/or scope for improvement at providers – see Appendix 2. If necessary, we will use this information to identify any improvement needs and support needed.

In addition we will oversee delivery of 7 day hospital services across providers in order to identify where organisations need support. This will include assessing whether providers are delivering against an agreed trajectory to meet the four priority standards for 7 day hospital services. We may, in time, extend this to monitoring other 7 day services standards and metrics where appropriate.

Consultation question 3:

(i) Do you agree with our proposed approach to overseeing quality of care?

(ii) Given our and CQC's respective roles in the NHS, are there other approaches we could consider?

(iii) Are there other ways in which we could use this framework to identify where providers may need support to meet 7 day services requirements?

(iv) Do you have any further comments on our proposed approach to overseeing quality of care?

5.2. Finance and use of resources

We will oversee and support providers in improving financial sustainability, efficiency and controls relating to high profile policy imperatives such as agency staffing, capital expenditure and the overall financial performance of the sector. We are, with CQC, co-developing the approach to overseeing providers' use of resources. This builds on the approaches taken by Monitor and TDA, which aimed to identify financial distress rapidly, while introducing a greater focus on efficiency as recommended by the Carter Review. As the Model Hospital develops, we may include further efficiency metrics in the Single Oversight Framework.

We propose to use financial metrics to oversee financial performance (see Table 1) by:

- scoring providers 4 (poorest) to 1 (best) against each metric (see Figure 4)
- using provider performance average across all the metrics to arrive at an overall view of the provider.[9]

Identifying potential financial concerns

Providers scoring 4 or 3 against this overall financial assessment will trigger a potential concern, as will providers scoring a 4 (ie significant underperformance) against **any** of the individual metrics.[10]

[9] Scores are rounded to the nearest whole number. Where a provider's score is exactly in between two whole numbers, it is rounded to the lowest whole number (eg both 2.2' and 2.5 are rounded down to 2). This follows Monitor's prior approach where financial scores were rounded positively, ie towards the 'best' score for providers, which in the Single Oversight Framework is lower.

[10] The best overall score a provider scoring '4' for any of the individual metrics can obtain is a '3'

Table 1: Finance and Use of Resources Metrics

Metric	Rationale/considerations
Capital Service Capacity	Assess how much financial headroom providers have over interest or other capital charges (eg PFI payments).
Liquidity	Assess providers' short-term financial position, ie their ability to pay staff and suppliers in the immediate term.
Distance from control total or financial plan	As part of our role in providing sector-wide financial oversight, we are working with providers to agree control totals that will help the sector achieve financial balance. We will track providers' positions against these through the year.
EBITDA[11] margin	Assess providers' operating efficiency independent of capital structure or other factors.
Cost/Weighted Activity Unit - efficiency metrics (to be run in shadow form in 2016/17 – we will track but not incorporate in the financial rating)	We are introducing a proposed efficiency metric, cost per weighted activity unit (WAU), developed as part of the Carter Review. This estimates provider efficiency by measuring the average cost of an average episode of care, taking into account different types of treatments (HRGs) and modes of delivery (eg elective, outpatient). The metric relates to a provider's efficiency improvement and will exclude factors that affect costs but are outside its control. Because reference costs are reported annually, we will use different, more frequently reported, activity and cost datasets to calculate in-year costs per WAU[12]
Capital Controls (as above, to be run in shadow form in 2016/17)	NHS Improvement has a responsibility to ensure that capital expenditure remains within the system's means and we will track providers' positions against their set capital limits over the year.
Agency spend (as above, to be run in shadow form in 2016/17)	Monitor and TDA introduced controls on agency spend in 2015 in response to the sharp increases in agency costs seen since 2012. We will continue to track agency spending at providers. Where we have potential concerns, we will consider how best to support the provider in addressing them.

Broader value for money considerations

In addition to using the metrics above, we may investigate whether there is, more broadly, sufficient evidence to suggest inefficient and/or uneconomical spending at a provider. Such spending may indicate that a provider is failing to operate effective

[11] Earnings Before Interest, Tax, Depreciation and Amortisation
[12] The data in these datasets are already provided by providers. There is therefore no new additional reporting burden associated with the calculations.

systems and/or processes for financial management and control, and not operating economically, efficiently and effectively.

Such evidence would come from, for example, published national benchmarking. We will notify the sector when appropriate benchmarks become available nationally. We may also look at whether a provider is delivering good practice with respect to value for money, for instance regarding management consultancy spend. In the absence of appropriate benchmarks we may still consider investigating a provider if there is material evidence to suggest it is delivering poor value for money.

Figure 4: Financial rating metrics

Area	Metric	Definition	Score			
			1	2	3	4[1]
Financial sustainability	**Capital service capacity**	Degree to which the provider's generated income covers its financial obligations	>2.5x	1.75-2.5x	1.25-1.75x	< 1.25x
	Liquidity (days)	Days of operating costs held in cash or cash-equivalent forms, including wholly committed lines of credit available for drawdown	>0	(7)-0	(14)-(7)	<(14)
Financial efficiency	**EBITDA margin**	EBITDA/total revenue	≥5%	3-5%	0-3%	≤0%
	Change in Cost per Weighted Activity Unit[2]	Assessing provider efficiency by measuring its average cost increase for an average episode of care (smaller is better)	≤1.1%	1.1%-2.1%	2.1%-3.1%	>3.1%
Financial controls	**Capital controls[2]**	Distance above capital control total	<5%	0-5%	5-15%	≥15%
	Distance from Control Total or financial plan	**Providers with control totals:** Ytd actual surplus/deficit vs. Ytd trajectory **Providers without control totals :** Ytd actual I&E surplus in comparison to the Ytd plan I&E surplus[2]	≥0%	(1)-0%	(2)-(1)%	≤(2)%
	Agency spend[2]	Distance from provider's cap	≤0%	0%-25%	25-50%	>50%

Note: brackets indicate negative numbers

[1] Scoring a '4' on any metric will cap the overall rating to at most 3, triggering a concern.

[2] To be used on a shadow basis - ie monitored not evaluated - in 2016/17.

Phasing in the new metrics

We propose to use three of these metrics – change in cost/weighted activity unit, capital controls and agency spend – in 'shadow' form during 2016/17. As a result, we will not use those in calculating providers' average financial score during 2016/17, nor will scoring a 4 against the thresholds for these metrics lead to an override. This will allow us to assess the quality of data underpinning them and calibrate them across providers. We can then consider how best to introduce them formally in 2017/18. For 2016/17 our oversight for the purpose of identifying a potential financial concern will be based on the remaining four metrics in Figure 4.

Consultation question 4:

(i) Do you agree with our proposed approach to overseeing finance and use of resources?

(ii) Do you agree with the chosen metrics?

(iii) Do you agree with the proposal to weight the metrics equally, or should some, eg distance from control totals and change in cost/WAU receive a higher weighting?

(iv) Are there any other metrics you consider we should use?

(v) Do you agree with our proposed approach to phasing in three of the metrics (change in cost/weighted activity unit, agency controls, capital expenditure controls) above?

(vi) Do you have any further comments on overseeing finance and use of resources?

5.3. Operational performance

We will track providers' performance against, and support improvements in, a number of NHS Constitution standards and other metrics. Rather than require providers to make bespoke data submissions, wherever possible we will use nationally collected and evaluated datasets. Appendix 3 lists the metrics we propose to use and their collection frequency across acute, mental health, ambulance and community providers. We may revise this list – introducing new metrics or varying the collection frequency – as necessary and appropriate, particularly as the Model Hospital work develops. We will consider whether a potential concern has been triggered if:

- for a provider with one or more agreed Sustainability and Transformation Fund trajectories against any of the metrics in Appendix 3: it fails to meet any trajectory for at least **two consecutive months**
- for a provider with no agreed Sustainability and Transformation Fund trajectory against any metrics: it fails to meet a relevant target or standard in Appendix 3 for at least **two consecutive months**
- where other factors (eg a significant deterioration in a single month, or multiple potential concerns across other standards and/or other themes) indicate we need to get involved **before two months have elapsed**.

We will then consider the nature of the issues and use this to identify the appropriate segment for the provider (see below) and develop the support offer.

Consultation question 5 :

(i) Do you agree with our proposed approach to overseeing operational performance?

(ii) Do you agree with the metrics proposed in Appendix 3?

(iii) Are there other metrics or approaches we should also consider?

(iv) Do you have any further comments on overseeing operational performance?

5.4. Strategic change

The 5YFV sets out the agenda for the change necessary to support a sustainable NHS. We will consider the extent to which providers are working with local partners to address local challenges and improve services for patients. This will include their contribution to developing, agreeing and delivering Sustainability and Transformation Plans (STPs) as well as in some cases the implementation of new care models and implementation of devolution.

To begin with we will use our forthcoming STP assurance process and associated reviews of STPs as our principal approach to oversight of this theme across providers. We are working with NHS England to develop a consistent approach and are likely to consider:

- providers' relationships with local partners
- their plans (including STPs they are involved in)
- how far these plans have been implemented.

We have published draft guidance on how we expect well-led providers to work with partners and collaborate locally to improve the quality and sustainability of services for patients.[13] In this guidance we set out the expectation that providers should be engaging constructively with local partners to

- build a shared understanding of local challenges and patient needs
- design and agree solutions
- implement improvements.

It will be important in our oversight and our support offer to acknowledge the interplay between individual provider outcomes and delivery of aggregate outcomes

[13] Available at www.improvement.nhs.uk/uploads/documents/Guidance_on_good_governance_in_a_LHE_context_final.pdf

across a local health economy. As we are still developing our approach under this theme, we invite input from the service on what other information we should collect and how we could identify where a provider may need support in this area. We will look to hold engagement events on this theme during the consultation period.

Consultation question 6: What should we consider to identify potential issues and/or potential support needs in the area of Strategic change?

5.5. Leadership and improvement capability

Shared standards of governance were set out in the NHS foundation trust governance condition (FT4), TDA Accountability Framework as well as TDA general objective (which covers much of the same ground as FT4). We expect providers to demonstrate three main characteristics as part of this theme:

1. **Effective boards and governance:** We will use a number of information sources to oversee provider leadership as used previously by Monitor and TDA, including:
   - information from third parties
   - staff/patient surveys
   - organisational metrics
   - information on agency spend
   - CQC 'well-led' assessments.

   We will also draw on the existing well-led framework and associated tools to identify any potential concerns with the governance and leadership of a provider. Many providers have already used this framework to assess their governance.

2. **Continuous improvement capability:** We are working with CQC to consider how the current shared well-led framework needs to evolve to better reflect the theme of improvement.

3. **Use of data:** Effective use of information is an important element of good governance. Well-led providers should collect, use and, where required, submit robust data. Where we have reason to believe this is not the case, we will consider the degree to which providers need support to do so in this area.

Our approach in 2016/17

We will review our approach to leadership and well-led, working with the CQC. In the meantime, we propose using the same information previously collected by Monitor and TDA, augmented by other information where available, to identify potential leadership concerns at individual providers. These can provide early warnings of issues that have yet to manifest themselves in, for example, quality issues or financial underperformance, as well as evidence of serious governance failings.

Consultation question 7:

(i) Do you agree with our proposed approach to overseeing providers' leadership and improvement capability?

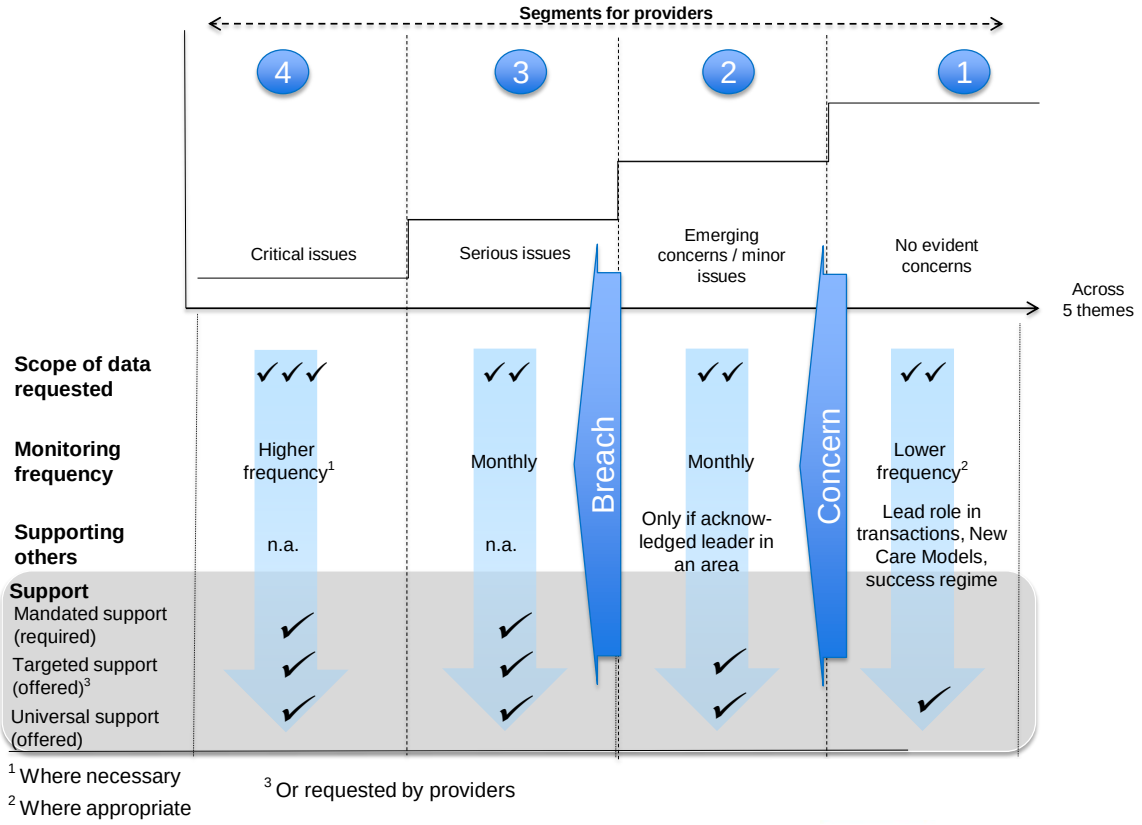
(ii) Are there other factors we should incorporate to identify where providers may require support?

(iii) Do you have any further comments on overseeing leadership and Improvement capability?

6. Segmentation and the segmentation process

Segmentation helps NHS Improvement determine the nature of the appropriate support relationship with a provider (see Section 7). It does not give an overall assessment of a provider's performance, for which the CQC's rating is the benchmark; nor does it determine the specifics of the support package needed, which is tailored by teams working with the provider in question. We propose segmenting the sector into four, depending on the extent of any issues identified in the oversight process.

Figure 5: Segmenting the provider sector



Segment	Description
1	No potential concerns identified across our five themes – lowest level of oversight
2	Triggering criteria of concern in one or more of the five themes – but not in breach of licence (or equivalent for NHS trusts) and/or formal licence action not needed
3	Serious issues – the provider is in actual/suspected breach of the licence (or equivalent for NHS trusts)
4	Critical issues - the provider is in actual/suspected breach of its licence (or equivalent for NHS trusts) with very serious/complex issues (eg including providers requiring major intervention on multiple issues to return to sustainable performance).

6.1. Segmentation process

The segment a provider is placed in will reflect, in our judgement, the seriousness and complexity of the issues it faces. We will base our decision on the appropriate segment for a provider by:

- considering all available information on providers – both obtained directly and from third parties
- identifying those providers with one or more triggers of potential concern
- using our judgement, based on relationship knowledge and/or the findings of formal or informal investigations, consideration of the scale of the issues faced by a provider and whether it is in breach or suspected breach of licence conditions.

Providers will then be segmented as follows:

- no potential concerns identified (per section 5 of this document): **segment 1**
- provider in licence breach (or equivalent for NHS trusts): **segment 3 or 4** depending on the seriousness and/or complexity of the issues faced
- provider not in breach but still triggering a potential concern: **segment 2**.

Segmentation needs to be as timely and rigorous as possible, without becoming a bureaucratic or complex process. We plan to carry out a segmentation exercise before going live with this new framework, identifying which segment a provider is in at the time the framework goes live. Subsequently, where our in-year, annual or ad-hoc monitoring of a provider flags a potential concern, we will review the provider's situation and consider whether we need to change its allocated segment.

In parallel with the development of the framework, we will consider providers' incentives to be in segment 1. While some conditions are fixed across the sector (eg control totals) others could vary from segment to segment in accordance with the principle of earned autonomy.

Consultation question 8:

(i) Do you agree with our proposed approach to segmentation?

(ii) Do you have any further comments on segmentation?

7. Our support of providers

While outside the scope of the Single Oversight Framework itself, our teams will co-ordinate and oversee tailored support for providers, to support sustainable improvement. Segmentation informs the oversight and support relationship we have with each provider, but does not determine the support package, which will be tailored to a provider's particular situation.

The support offered will be provider specific but we envisage that it will fall into three categories:

- **universal support offer** – tools that providers can draw on if they wish to improve specific aspects of performance. Optional for providers to draw on.
- **targeted support offer** – support to help providers with specific areas – eg intensive support teams to help in emergency care or agency spend. Programmes of targeted support will be agreed with providers. This support is offered to providers – its use is voluntary.
- **mandated support** – where a provider has complex issues, we may prepare a directed series of improvement actions to help it, eg appoint an improvement director, or agree a recovery trajectory and support providers to deliver this. In these serious and critical cases, providers are required to comply with NHS Improvement's actions/expectations.

Table 2 below outlines how these types of support link to the segment a trust is in.

Table 2: Support offer by segment

Segment	Relationship with provider
1 No concerns	**Universal** support • eg tools, guidance, benchmark information • made available for providers to access
2 Emerging issues/ minor concerns	**Universal** support (as for segment 1) **Targeted** support as agreed with the provider • to address issues and move the provider to segment 1 • either offered to provider (and accepted voluntarily) or requested by provider
3 Serious issues	**Universal** support (as for segment 1) **Targeted** support as agreed with the provider (as for segment 2) **Mandated** support as determined by NHS Improvement • to address specific issues, move the provider to segment 2 or 1 • compliance required
4 Critical issues	**Universal** support (as for segment 1) **Targeted** support as agreed with the provider (as for segment 2) **Mandated** support as determined by NHS Improvement • to minimise the time the provider is in segment 4 • compliance required

Consultation question 9 : Do you agree with our proposed approach to supporting providers?

8. Summary of consultation questions

Consultation question 1:

What should we consider in seeking to ensure NHS Improvement and CQC's frameworks are as aligned as possible?

Consultation question 2:

(i) Do you agree with our proposed approach to the oversight of providers?

(ii) Do you consider that regular reporting should be on a weekly/ monthly or quarterly basis? Are there circumstances where oversight should be more or less frequent than these intervals?

(iii) Do you have any further comments on our overall approach?

Consultation question 3:

(i) Do you agree with our proposed approach to overseeing quality of care?

(ii) Given our and CQC's respective roles in the NHS, are there other approaches we could consider?

(iii) Are there other ways in which we could use this framework to identify where providers may need support to meet 7 day services requirements?

(iv) Do you have any further comments on our proposed approach to overseeing quality of care?

Consultation question 4:

(i) Do you agree with our proposed approach to overseeing finance and use of resources?

(ii) Do you agree with the chosen metrics?

(iii) Do you agree with the proposal to weight the metrics equally, or should some, eg distance from control totals and change in cost/WAU receive a higher weighting?

(iv) Are there any other metrics you consider we should use?

(v) Do you agree with our proposed approach to phasing in three of the metrics (change in cost/weighted activity unit, agency controls, capital expenditure controls) above?

(vi) Do you have any further comments on overseeing finance and use of resources?

Consultation question 5 : (i) Do you agree with our proposed approach to overseeing operational performance? (ii) Do you agree with the metrics proposed in Appendix 3? (iii) Are there other metrics or approaches we should also consider? (iv) Do you have any further comments on overseeing operational performance?
Consultation question 6: What should we consider to identify potential issues and/or potential support needs in the area of Strategic change?
Consultation question 7: (i) Do you agree with our proposed approach to overseeing providers' leadership and improvement capability? (ii) Are there other factors we should incorporate to identify where providers may require support? (iii) Do you have any further comments on overseeing leadership and Improvement capability?
Consultation question 8: (i) Do you agree with our proposed approach to segmentation? (ii) Do you have any further comments on segmentation?
Consultation question 9 : Do you agree with our proposed approach to supporting providers?

Appendix 1: Summary of triggers of potential concern

Theme	Information used	Triggers
Quality of care	• CQC information • Other quality information to inform our view of a provider (see Appendix 2) • 7 day services	• CQC 'inadequate' or 'requires improvement' assessment versus one or more of: - 'Safe' - 'Caring' - 'Effective' - 'Responsive' • CQC warning notices • Any other material concerns identified through CQC's monitoring process, eg civil or criminal cases raised • Concerns arising from trends in our Quality Indicators (Appendix 2) • Delivering against an agreed trajectory for the 4 priority standards for 7 day hospital services
Finance	• **Sustainability** o Capital Service Cover o Liquidity • **Efficiency** o EBITDA[14] margin o Efficiency metrics • **Controls** o Delivery of control totals or against plan o Capital expenditure controls o Agency spend • **Value for money information**	Poor levels of overall financial performance (average score of 3 or 4) Very poor performance (score of 4) in any individual metric Potential value for money concerns

[14] Earnings Before Interest, Tax, Depreciation and Amortisation

Operational performance	NHS Constitution standards Other national targets and standards	For providers with STF trajectories in any metric: failure to meet the trajectory for this metric in more than two consecutive months For providers without STF trajectories: Failure to meet any standard in more than two consecutive months
Strategic Change	Review of Sustainability and Transformation Plans (STPs) and other relevant matters	Material concerns with a provider's delivery against the transformation agenda, including New Care Models and devolution
Leadership and Improvement capability	Findings of governance or well-led review undertaken against the current well-led framework Third party information, eg Healthwatch, MPs, whistleblowers, Coroners' reports Organisational Health Indicators Operational efficiency metrics CQC well-led assessments	Material concerns CQC 'inadequate' or 'requires improvement' assessment against 'Well-led'.

Appendix 2: Proposed quality of care monitoring metrics

Quality indicators for quality surveillance and oversight
The 42 proposed indicators below are those previously used in either TDA's Assurance Framework, Monitor's Risk Assessment Framework or NHS England's quality dashboard. The latter mirrors the CQC Intelligent Monitoring Tool. The primary focus and CQC domain for these indicators are shown.

Proposed indicators

Measure	Type	Frequency	Source
Organisational Health Indicators – all providers			
Staff sickness(2)	Organisational Health	Monthly/Quarterly	HSCIC (publicly available)
Staff turnover(2)	Organisational Health	Monthly/Quarterly	HSCIC (publicly available)
Executive team turnover (3)	Organisational Health	Monthly	FT return/O&E
NHS Staff Survey	Organisational Health	Annual	CQC (publicly available)
Proportion of Temporary Staff (4)	Organisational Health	Quarterly	FT return
Aggressive Cost Reduction Plans (4)	Organisational Health	Quarterly	FT return
Written Complaints - rate	Caring	Quarterly	HSCIC (publicly available)
Staff Friends and Family Test Percentage Recommended - Care	Caring	Quarterly	NHSE (publicly available)
Never events	Safe	Monthly	NHSE (publicly available)
Never events - incidence rate	Safe	Monthly	NHSE (publicly available)
Serious Incidents rate	Safe	Monthly	StEIS
National Reporting and Learning System (NRLS) medication errors: Percentage of harmful events	Safe	Monthly (1)	NRLS (publicly available)
Proportion of reported patient safety incidents that are harmful	Safe	Monthly	NRLS (publicly available)
Potential under-reporting of patient safety incidents	Safe	Monthly	NRLS (publicly available)
Central Alerting System (CAS) alerts outstanding	Safe	Monthly	NRLS (publicly available)
Acute providers			
Mixed Sex Accommodation Breaches	Caring	Monthly	NHSE (publicly available)
Inpatient Scores from Friends and Family Test - % positive	Caring	Monthly	NHSE (publicly available)
A&E Scores from Friends and Family Test - % positive	Caring	Monthly	NHSE (publicly available)

Measure	Type	Frequency	Source
Emergency c-section rate	Safe	Monthly	HES
CQC Inpatient / MH and Community Survey	Organisational Health	Annual	CQC (publicly available)
Maternity Scores from Friends and Family Test - % positive	Caring	Monthly	NHSE (publicly available)
Percentage of Harm Free Care	Safe	Monthly	NHSE (publicly available)
Percentage of new Harms	Safe	Monthly	NHSE (publicly available)
VTE Risk Assessment	Safe	Quarterly	NHSE (publicly available)
Clostridium Difficile - variance from plan	Safe	Monthly	PHE (publicly available)
Clostridium Difficile - infection rate	Safe	Monthly	PHE (publicly available)
MRSA bacteraemias	Safe	Monthly	PHE (publicly available)
Hospital Standardised Mortality Ratio (DFI)	Effective	Quarterly	DFI
Hospital Standardised Mortality Ratio - Weekend (DFI)	Effective	Quarterly	DFI
Summary Hospital Mortality Indicator	Effective	Quarterly	HSCIC (publicly available)
Emergency re-admissions within 30 days following an elective or emergency spell at the Provider	Effective	Monthly	HES
Community providers			
CQC Inpatient / MH and Community Survey	Organisational Health	Annual	CQC (publicly available)
Community Scores from Friends and Family Test - % positive	Caring	Monthly	NHSE (publicly available)
Percentage of Harm Free Care	Safe	Monthly	NHSE (publicly available)
Percentage of new Harms	Safe	Monthly	NHSE (publicly available)
Mental health providers			
CQC Inpatient / MH and Community Survey	Organisational Health	Annual	CQC (publicly available)
Mental Health Scores from Friends and Family Test - % positive	Caring	Monthly	NHSE (publicly available)
Admissions to adult facilities of patients who are under 16 years of age	Safe	Monthly	HSCIC (publicly available)
Percentage of Harm Free Care	Safe	Monthly	NHSE (publicly available)
Percentage of new Harms	Safe	Monthly	NHSE (publicly available)

Measure	Type	Frequency	Source
Care Programme Approach (CPA) follow up - Proportion of discharges from hospital followed up within 7 days - MHMDS	Effective	Monthly	HSCIC (publicly available)
% clients in settled accommodation	Effective	Monthly	HSCIC (publicly available)
% clients in employment	Effective	Monthly	HSCIC (publicly available)
Ambulance providers			
Ambulance see and treat from Friends and Family Test - % positive	Caring	Monthly	NHSE (publicly available)
Return of Spontaneous Circulation (ROSC) in Utstein group	Effective	Monthly	NHSE (publicly available)
Stroke 60 mins	Effective	Monthly	NHSE (publicly available)
Stroke Care	Effective	Monthly	NHSE (publicly available)
ST Segment Elevation Myocardial Infarction (STeMI) 150 Mins	Effective	Monthly	NHSE (publicly available)

Notes

1. If we use published data NRLS data would be six monthly and publicly available.
2. Historically TDA used ESR and Monitor used HSCIC for these data, hence the difference in frequency in 2016-17
3. These data are readily available for NHS providers.
4. The data for NHS trusts has to be confirmed.

Appendix 3: Proposed operational performance metrics

Standard	Frequency	Standard[15]
Acute and specialist providers[16]		
A&E maximum waiting time of 4 hours from arrival to admission/transfer/discharge	Monthly	95%
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	Monthly	92%
All cancers – maximum 62-day wait for first treatment from: - Urgent GP referral for suspected cancer - NHS cancer screening service referral	Monthly	 85% 90%
Maximum 6-week wait for diagnostic procedures	Monthly	99%
Ambulance providers[17]		
Maximum 8-minute response for Red 1 calls	Monthly	75%
Maximum 8-minute response for Red 2 calls	Monthly	75%
Maximum 19-minute response for all Category A calls	Monthly	95%
Mental health providers[18]		
Patients admitted to inpatient services who are given access to crisis resolution / home treatment teams in line with best practice standards (UNIFY2 and MHSDS)	Quarterly	95%

[15] Minimum % of patients for whom standard must be met

[16] NHS Improvement is following the development of indicators to assess the expansion and oversight of liaison mental health services in acute hospitals, including routine analysis of (i) numbers of emergency admissions of people with a diagnosis of dementia; and (ii) length of stay for people admitted with a diagnosis of dementia. These may be incorporated in future iterations of this framework.

[17] We will balance this oversight with the impact of dispatch on disposition and other pilots affecting performance reporting currently underway across ambulance providers

[18] In addition to the Mental Health indicators here, NHS Improvement is following the development of indicators to assess: (i) Access and waiting times for children and young people eating disorder services; (ii) Providers' collection of data on waiting times (decision to admit to time of admission, decision to home-treat to time of home-treatment commencement), Delayed Transfers of Care and Out of area placements(OATS); and (iii) Systems to measure, analyse and improve response times for urgent and emergency mental health care for people of all ages. These may be incorporated in future iterations of this framework.

Standard	Frequency	Standard[15]
People with a first episode of psychosis should commence treatment with a NICE-recommended package of care within 2 weeks of referral (UNIFY2 and MHSDS)	Quarterly	50%
Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas[19]:	Quarterly	
a) Inpatient wards		90%
b) Early intervention in psychosis services		90%
c) Community mental health services (people on Care Programme Approach)		60%
Complete and valid submissions of metrics in the monthly Mental Health Services Data Set submissions to the HSCIC:		
• identifier metrics[20]	Monthly	95%
• priority metrics[21]	Monthly	85%
IAPT / Talking Therapies		
Proportion of people completing treatment who move to recovery (from IAPT MDS)	Quarterly	50%
Waiting time to begin treatment (from IAPT MDS)		
- within 6 weeks	Quarterly	75%
- within 18 weeks	Quarterly	95%
Community providers		
Any relevant mental health or acute metrics above		

[19] Board declaration
[20] Comprising: NHS number, Date of birth, Postcode, Current gender, Registered GP org code,Commissioner org Code
[21] Comprising: Ethnicity, Employment status (for adults), School attendance (for CYP), Accommodation status, ICD10 coding. By 2016/17 year-end

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NHS Improvement is the operational name for the organisation that brings together Monitor, NHS Trust Development Authority, Patient Safety, the National Reporting and Learning System, the Advancing Change team and the Intensive Support Teams.

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