

**LIVERPOOL WOMEN'S NHS FOUNDATION TRUST**  
**ANNUAL REPORT & ACCOUNTS 2017 /18**





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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 2017 to 31st March 2018.

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.

2017/18 has continued to be a 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

- An independent report from the Northern England Clinical Senate supported the trust's preferred option of re-locating the trust's services to a new hospital site next to the new Royal Liverpool Hospital.
- Work was completed on the redevelopment of both the Gynaecology Unit and the Outpatients department. This work was undertaken simultaneously and has modernised the existing site, providing a better experience for patients and a more suitable working environment for staff.
- The Trust received approval of £15m funding to invest in developing and improving the existing Neonatal Unit to keep our most vulnerable patients safe. Planning and design work is currently underway and redevelopment work is set to begin later in 2018.
- The hugely popular Channel 4 series *One Born Every Minute* returned to Liverpool Women's Hospital for the third and final time. The series aired from April 2017 and again showed the incredible care that staff provide to the many women who come through the trust's doors every day. There were many heart-warming stories across the 10 episodes that showed a mix of wonderfully happy and also incredibly challenging journeys that mothers, babies, families, and friends go through. *One Born Every Minute* is consistently one of the most popular factual titles for the young (16-34) Channel 4 audience and since its launch in 2010 it has reached an incredible 40 million viewers (70% of the viewing population). This final series at Liverpool Women's was reported to be the most successful yet.
- The Care Quality Commission undertook an inspection of the trust in February 2018 with the final report published on 23 May 2018. We are pleased to announce that the Trust received an overall 'Good' rating for the inspection. Further details of the inspection and the findings from the CQC report can be found within sections of the annual report and quality report.

**Financial position and performance:** Last year was a particularly challenging one for the NHS with all trusts expected to provide the highest standards of care while achieving demanding efficiency savings. Against this backdrop we continued to provide safe, high quality care to our patients and with the exception of Referral to Treatment and 62 Day Cancer, we were able to deliver our national targets. Alongside this, in a climate where many providers have struggled to achieve their financial plan, we were able not only to deliver our financial plan but better it.



For the financial year, we delivered a deficit of £1.3m, which was an improvement against the original plan of £4m deficit. This final position was after the Trust received £5.5m of Sustainability and Transformational Funding from the regulator, which was £2.3m more than originally planned. This has been accomplished through the hard work and dedication of our staff over the year; 2018/19 will be another challenging year financially.

**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. Over the last few years, the trust's clinicians have worked together to develop our Clinical Strategy for Future Generations. By working alongside our local NHS partners including Liverpool CCG, and following a range of engagement activities, this has resulted in a preferred option of re-locating our services to a new site next to the new Royal Liverpool Hospital. This preferred option was supported during the year by an independent clinical review by the Northern England Clinical Senate. We are currently awaiting a decision by NHS England and Liverpool CCG to go to public consultation which we hope will take place during the summer of 2018/19.

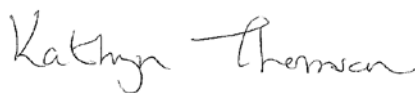
Regardless of any plans or decisions on the long-term future of our services, we will be remaining on our current site for a number of years. Therefore we continue to invest in our current site to protect our most vulnerable patients. As well as completing improvement work on our Gynaecology Unit and Outpatients department, we will be investing 15m in developing our Neonatal Unit with work expected to start towards the end of 2018.

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  
29 May 2018



**Kathryn Thomson**  
Chief Executive  
29 May 2018



## 2. Performance Report

### 2i. Overview of performance

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 2017/18 the Trust:
  - Delivered 8,497 babies (2016/17 8,891) – an average of 23 babies born at Liverpool Women's every day (2016/17, 24);
  - Undertook gynaecological procedures on 5469 women (2016/17, 5,551);
  - Cared for 1004 babies in our neonatal intensive and high dependency care units (2016/17, 1,038); and
  - Performed 1381 cycles of in vitro fertilisation (IVF) (2016/17, 1,413).

Our vision, aims and values are:

Our Vision
We will be the recognised leader in healthcare for women, babies and their families
Our Aims – WE SEE
<ul style="list-style-type: none"><li>• To develop a well led, capable and motivated <b>W</b>orkforce</li><li>• To be <b>E</b>fficient and make sure the best use of available resources<ul style="list-style-type: none"><li>• To deliver <b>S</b>afe services</li><li>• To deliver the most <b>E</b>ffective outcomes for patients</li></ul></li><li>• To deliver the best possible <b>E</b>xperience for patients and staff<ul style="list-style-type: none"><li>• To deliver the Future Generations Strategy</li></ul></li></ul>
Our Values – We CARE and We LEARN
<ul style="list-style-type: none"><li>• <b>C</b>aring – We show we care about people</li><li>• <b>A</b>mbition – We want the best for people</li><li>• <b>R</b>espect – We value the differences and talents of people</li><li>• <b>E</b>ngaging – We involve people in how we do things</li><li>• <b>L</b>earn – We learn from people past, present and future</li></ul>

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 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, following a review of services in 2014 the Trust embarked on its Future Generations strategy with the support of doctors, nurses, midwives and other health specialists to help shape the future of our services for women and babies.

Our *Future Generations strategy* consisted of us:

- ❖ Identifying the clinical standards the trust wants 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 the trust's services can be remodelled in order to provide care closer to patients' own homes;
- ❖ Thinking about which of the services need to grow and develop;
- ❖ Defining how the trust operationally organises its services – what happens where, when and for whom;
- ❖ Reviewing the options for operational changes in each service, including estates and Information Management and Technology;

- ❖ Listening and engaging with the public, patients, members, partners and staff to make the right choices for the trust's clinical services;
- ❖ Setting out clearly the clinical case for change from which to develop a business case.

Throughout 2015/16, the Trust continued the development of the 'Future Generations' strategic plan which aimed to address the achievement of long term clinical and financial sustainability.

In December 2015, the resulting business case received formal approval from the Trust Board and was submitted to NHS Improvement and Liverpool CCG in January 2016 for review. Liverpool CCG accepted the case for change and commissioned its own review into Women's and Neonatal services.

The review was supported by an external consultancy and a range of local and national clinicians, other NHS service providers and commissioners. The overall governance was the responsibility of Liverpool CCG and was undertaken through a Project Oversight Group. The Project Oversight Group was supported by a Clinical Reference Group. The review followed a standard option appraisal methodology.

### **NHS Liverpool CCG review of women and neonatal services**

In November 2016, Liverpool CCG concluded its draft Pre-consultation Business Case (PCBC) and published it in January 2017. The draft PCBC presents four short listed options including;

- ❖ Enhancing the Crown Street site to meet the clinical case for change
- ❖ Minimum enhancements to the Crown Street site, which did not meet the clinical case for change
- ❖ Relocating services to Alder Hey Children's NHS FT in a new build and
- ❖ Relocating services to Royal Liverpool and Broadgreen University Hospitals NHS Trust in a new build

Of the four short listed options the draft PCBC contains evidence which clearly demonstrates that one option, the preferred option of relocating to a new build co-located with the Central University Campus, scored highest in all domains under consideration within the options appraisal framework, those being quality, feasibility, financial sustainability and strategic fit.

In September 2017 the Trust produced a Strategic Outline Case to demonstrate the availability and affordability of capital in relation to the options. At the same time the Northern England Clinical Senate issued a report on its findings in relation to the clinical sustainability of services at the Trust. The Clinical Senate concluded that 'the current isolated position of both Women's and Neonatal services at LWH means both services have very significant clinical risks'. The independent Clinical Senate also recognised that the current configuration of services at the Trust and workarounds in place are unsustainable and that a change in the clinical model 'is needed to ensure safety, quality and clinical sustainability'.

In its conclusions the Clinical Senate stated that there is a strong clinical argument for change, emphasising the risks with delivering care for women and newborns on a stand-alone site away from other related services, as is currently the case at Liverpool Women's. Among the range of issues it highlights are the problems that the trust faces recruiting anaesthetics specialists, due to its isolated position; the fact that Liverpool Women's does not have CT or MRI scanning facilities, a blood bank or an adult intensive care unit; and the lack of space in the neonatal unit.

The trust and Liverpool CCG are pursuing agreement from NHS England to proceed to public consultation on the preferred option during 2018/19.

Whilst the Trust awaits a decision to proceed to consultation and enact the longer term vision there are actions identified to enhance the safety of the workarounds on site in the interim which are referred to in the trust's Operational Plan 2017-19.

### **Keeping our services fit for the future**

Regardless of the outcome of any decisions on the future of women's and neonatal services, the trust will be located at its current site for a number of years to come. Therefore in the short term investment and refurbishment of the current site is required to maintain quality and safety for the trust's patients while decisions about the long term location of services are taken.

During 2016/15 and 2017/18 trust undertook two main projects: the Gynaecology Unit Refurbishment; and the Outpatients Facilities Improvement Programme.

***Gynaecology Unit Refurbishment:*** the trust upgraded two of its existing Gynaecology Wards to make a new Gynaecology Unit. The main aim of the project was to ensure that patients are looked after at the right time, in the right place and with the right clinical teams around them. The work involved modernising and remodeling the Gynaecology Unit, making for a better patient experience by providing more up to date facilities, as well as a more efficient clinical space for staff to work across. The refurbished unit was open to patients in August 2017.

***Outpatients Facilities Improvement Programme:*** the trust also redeveloped its Outpatients facilities with a new layout, improved amenities and an interactive appointment check-in and reminder system that provided a better experience for patients, the unit opened its doors to patients in June 2017. The changes included:

- ❖ A patient appointment self-check-in system
- ❖ A centralised reception area for ease of access for patients attending any outpatient appointment at the trust
- ❖ A redesigned centralised outpatient area which provides better facilities for patients
- ❖ An advanced patient call handling system with an integrated appointment reminder system consisting of text, email, and automated call messaging.

***Neonatal and other services:*** the trust's neonatal services also require additional investment to ensure that its most vulnerable babies are being cared for in the best environment possible. In 2016 the trust took the difficult decision to reduce the number of cots it had available in order to reduce the risk of infection to babies. We were delighted to announce during the year that the Trust was awarded £15m in the form of a capital loan to address the immediate clinical risks on the neonatal unit. Whilst this is a welcome step, it does not negate the overall clinical requirement to co-locate with the adult acute but the trust is pleased that we are able to improve services for neonatal babies and their families.

***Other clinical risks:*** To further mitigate the clinical risks identified in the clinical case for change the trust has invested in the provision of additional senior clinical consultant cover across its services and this will continue during 2018/19.

Despite the challenges the trust has faced over recent years and will continue to face for the foreseeable future, the main driver for all its decision making is the provision of quality patient care. The trust will not compromise on the excellent quality of care it provides, which is why it is working to ensure its services are both fit and safe for the immediate and long-term future. Patient safety is always the trust's number one priority.

## Achievements against the trust's **WE SEE** strategic aims

### We will develop a well led, capable, motivated and entrepreneurial **Workforce**

W

- ❖ The trust achieved 'better' in the National Inpatient Survey
- ❖ The trust saw its midwives shortlisted in the Royal Collage of Midwives Awards
- ❖ The trust has seen three members of staff shortlisted in the Butterfly Awards. Sarah Martin and Marie Kelleher, nominated for Bereavement Worker and Dr Umber Agarwal nominated for Health Professional
- ❖ The trust has seen Andy Sharp awarded best presentation at the International Congress of Hypertension in Pregnancy in Berlin
- ❖ The trust has seen Angharad Care judged to have made the best oral presentation at national Preterm Conference in Leeds
- ❖ The trust has seen the Estates team win Best Waste Management Initiative at the Excellence in Recycling and Waste Management Awards
- ❖ The trust has seen the Genomics North West Coast Team awarded the Transformation Award in the local NWC CRN Research Awards
- ❖ The trust has seen Trainee Pharmacy Technician, Rebecca Slater awarded the Downtown in Business, Female Apprentice of the Year award
- ❖ The trust has seen Gynaecology Specialist Nurse, Annmaria Ellard awarded the Lansinoh Healthcare Hero, in the 2018 Tommy Awards
- ❖ The trust has seen Rhianne Lawton, nominated for the Unsung Hero Awards 2018 in the "IT - Unsung Hero" award category

### We will be ambitious and **Efficient** and make best use of available resources

E

- ❖ The trust has delivered the financial control total set for us by the regulator.
- ❖ The trust has remained as one of the highest performing trusts in the region for use of agency staff against capped financial limits.
- ❖ The trust has worked with commissioners and other local providers to develop plans to deliver long term clinical and financial benefits.
- ❖ The trust has continued to work with local partners (Royal Liverpool Hospitals and Aintree University Hospital) to implement an electronic patient record that will provide significant benefits to patients and clinicians.

### We will deliver **Safe** services

S

- ❖ The trust has invested in upgrading our Gynaecology wards and outpatient area which was completed in 2017.
- ❖ The trust has introduced yellow bands for patients to identify when an item is intentionally retained to be removed post operatively.
- ❖ The trust has worked with NHSE, Manchester and Cumbria and Lancashire Neonatal transport teams to create a new single North West team to ensure the safe and timely transfer of neonates between hospitals.
- ❖ The trust has one of the largest advanced neonatal nurse practitioner (ANNP) groups in the country.
- ❖ The trust has worked in partnership with the North West Neonatal Operational Delivery Network to deliver bespoke training to all new neonatal nurses to ensure the same level of training across the Operational Delivery Network.
- ❖ The trust has zero Clostridium difficile and MRSA occurrences in year.

E

### We will participate in high quality research in order to deliver the most *Effective* outcomes

- ❖ The trust has two Consultant Neonatologists who lead on and are participating in both local and national research, looking at nutrition in relation to preterm growth, and the a safe use of drugs and their formulations in the preterm, respectively.
- ❖ The trust has a nurse consultant and research nurse working with the North West Collaboration for Leadership in Applied Health Research and Care looking at the benefits of infants receiving phototherapy at home.
- ❖ The trust is leading a programme of research looking to reduce perineal trauma through the use of the Oasi care bundle.
- ❖ The trust has designed a new medical device for use in women with post-partum haemorrhage after childbirth and is now evaluating its effectiveness.
- ❖ The trust is participating in a study to determine the best dose of aspirin for Hereditary Non-Polyposis Colon Cancer prevention for people with Lynch syndrome.
- ❖ The trust is actively participating in research studies looking at whether endometrial scratch improves the chances of women having first time IVF/ICSI achieving a pregnancy; and whether it helps women with subfertility issues related to polycystic ovarian syndrome who are on ovulation induction medication and who are trying to conceive.

E

### We will deliver the best possible *Experience* for patients and staff

- ❖ The trust has redesigned inpatient Gynaecology, transforming two previous existing Gynaecology Wards, into one, new, modern, Gynaecology Unit to provide patients with a better experience.
- ❖ The trust has refurbished Outpatient environment, to include a new layout, improved amenities, and an interactive appointment check-in and reminder system that will provide an excellent experience for patients.
- ❖ The trust has appointed Guardian of safe Working Hours for junior doctors
- ❖ The trust has recruited a team of Dignity at Work Advisors to support colleagues in the workplace
- ❖ The trust has continued to work with our Community midwives to provide them with new technology that will enable them to record clinical information electronically and in real time that will reduce unnecessary journeys and delays in patient information.
- ❖ The trust has provided support to Liverpool eye hospital to use our facilities to help drive down waiting times for patients requiring eye procedures
- ❖ The trust has introduced real-time patient feedback to the neonatal intensive care unit to help improve future patients' experience
- ❖ The trust has developed an advanced patient call handling system with an integrated appointment reminder system
- ❖ The trust has introduced a patient appointment self-check in system
- ❖ The trust has created an admission lounge to ensure that the admission process is as seamless as possible

### 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 that are included on the trust's board assurance framework include:

***Workforce:***

- ❖ Inability to maintain a fully resourced, competent and capable junior medical workforce
- ❖ Inability to deliver a well-led, engaged, motivated and effective workforce

***Safe:***

- ❖ Inability to achieve long-term clinical sustainability due to the location, size, layout and accessibility of current services which does not provide for sustainable integrated care or quality service provision. Associated risks include: Deteriorating not fit for purpose estate; no on-site ITU or blood bank; changing clinical standards; changing demographics and co-morbidities, lack of co-located paediatric support; and no on-site access to other significant medical teams; such as physician on call, urology, colonectal or intensivists.
- ❖ Inability to achieve and maintain regulatory compliance, performance and assurance.
- ❖ Ineffective understanding and learning following significant and never events.
- ❖ Failure to deliver a fully integrated Electronic Patient Record system in year and consequential impact on patients and finance.

***Effective:***

- ❖ Unable to be financially sustainable beyond the current financial year.
- ❖ Unable to deliver the annual financial plan.
- ❖ Inability to deliver the best clinical outcomes for patients.

***Experience***

- ❖ Inability to deliver a positive experience for women; patients; and families engaging using the Trust's services.

## **Going concern disclosure**

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

For 2017/18 the Trust planned a deficit of £7,204k before receipt of STF income. The Trust achieved a deficit of £6,880k before receipt of STF income.

Distressed funding has been made available to support the cash position of the Trust, ensuring liabilities are met, and this support will continue into 2018/19. Although one loan from DH of £5.6m has now been extended to March 2019, the Trust has an expectation that they will not be required to pay this back in 2018/19 while they are continuing to draw down further distressed funding.

The matters referred to above represent a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. However based on the indications below the Trust believe that it remains appropriate to prepare the financial statements on a going concern basis and therefore the financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The Trust's expectation is that services will continue to be provided from the existing hospital sites in the short term. However it recognises that sustainable financial balance needs to come through engagement with the wider health economy requiring not only the trust to achieve efficiencies but also for it to maximise the use of its assets and support the wider transformational change in service



delivery. The Trust will continue to work with commissioners, regulators and its stakeholders to achieve this objective.

In addition to the matters referred to above, the Trust has not been informed by NHSI that there is any prospect of its dissolution within the next twelve months and it anticipates the continuation of the provision of services in the foreseeable future as evidenced by the inclusion of financial provision for those services in published documents and contracts for services with commissioners.

## 2ii Performance analysis

### Performance against key targets

Last year was a particularly challenging one for the NHS; all trusts were expected to provide the highest standards of care while achieving demanding efficiency savings. The trust continued to provide safe, high quality care to our patients. With the exception of Referral to Treatment and 62 Day Cancer, the trust continued to deliver the national targets. Alongside this, in a climate where many providers have struggled to achieve their financial plan, the trust has continued to deliver its financial performance.

Details of the national targets that are required to achieve are set out below, together with our actual performance:

Indicator Name	Target	Performance 2017/18	
A&E Clinical Quality - Total Time in A&E under 4 hours (accumulated figure)	95%	98.34%	Achieved
Cancer 62 Day Waits for first treatment (from NHS Cancer Screening Service referral) - post local breach re-allocation (accumulated figure)	90%	75%	Not Achieved
Cancer 31 day wait for second or subsequent treatment – surgery (accumulated figure)	94%	100%	Achieved
Cancer 31 day wait from diagnosis to first treatment (accumulated figure)	96%	96.6%	Achieved
Cancer 2 week (all cancers) (accumulated figure)	93%	96.4%	Achieved
Clostridium difficile due to lapses in care (accumulated figure)	0	0	Achieved
Never Events	0	2	Not Achieved
Incidence of MRSA bacterium	0	0	Achieved
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	92%	87.5%	Not Achieved
Cancer 62 Day Waits for first treatment (from urgent GP referral) - post local breach re-allocation (accumulated figure)	85%	57.4%	Not Achieved

The Board also reviews performance against other local Key Performance Indicators the details of which are set out below, together with our actual performance.

Indicator Name	Target	Performance 2017/18	
Safer Staffing Levels	≥90%	93.70%	Achieved
Friends and family Test	>75%	96.65%	Achieved
Complaints received per month (average)	≤15	8	Achieved
Sickness & Absence rates (cumulative year-end)	≤4.5%	4.66%	Not Achieved

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:

**18 Week Referral to Treatment and 62 day Cancer targets:** The Trust declared two serious incidents relating to breaches of national access target in February 2018 – one related to patients who had been referred in to the Trust by a GP with suspected cancer and who had subsequently breached the 62 day target; the second incident related to failure to accurately report patients who had breached the 18 week (referral to treatment) target.

Both incidents were reported internally on the trust's incident reporting system and externally on the national incident reporting system. This alerted NHS Improvement, NHS England and the CCG to the incident. The Trust also spoke directly to all regulators including the Care Quality Commission.

Formal Serious Incident investigations have been completed by an external investigator who is an expert in respect of cancer pathways and other referral to treatment targets. The Trust has been systematically working through the recommendations from the investigations to improve compliance to the national targets. The reported positions on the Cancer 62 day target was corrected in January 2018 and the RTT target from February 2018 as set out in the table above.

The trust's priority, as always, was to identify whether any patient had suffered a detriment in their care or any harm. Clinical reviews have taken place for individual patients who have been significantly delayed in receiving treatment and these have concluded that no harm has occurred.

The Trust has been open and transparent with patients and where appropriate patients have received a letter from the Trust apologising and assuring them that clinical review by a senior doctor had confirmed that they had suffered no harm or detriment as a result.

**Cancer 62 Day waits for first treatment (from NHS Cancer Screening Service referral) - post local breach re-allocation (accumulated figure):** There were only four patients recorded against this target over the year. Unfortunately one patient had delays in the pathway which resulted in the breach of the target.

**Never Events:** A 'Never Event' is an event which has been identified by NHS Improvement that should never occur during a patient's care. The first never event of the period occurred in April 2017 and involved the retention of a Vaginal pack. A comprehensive investigation of the incident was

conducted and the report was submitted to our commissioners. The second reported never event resulted from the insertion of a contraceptive coil, which did not match the item consented by the patient. Whilst the device fitted was safe and the patient was happy to continue with it after being informed of the error, the incident demonstrated that the intra-operative checks were not effective in ensuring that the device available and fitted during surgery was that previously consented and documented. Neither of these scenarios has recurred since the changes in process were implemented. Both events are explained further in section 4 Quality Report.

**Sickness absentee:** The cumulative year end figure has fallen from 4.96% in 2016/17 to 4.66% in 2017/18. Sickness continues to be proactively managed and line managers receive ongoing support and training from the HR team. Peaks of sickness in departments are correlated against other indicators such as staffing levels, complaints and incidents to identify any areas requiring further intervention.

### The position of the trust at 31 March 2018

The trust ended the year with a deficit of £1.3m after receipt of sustainability and transformation funding and after all expenditure was accounted for. This reflects the structural financial issues being faced by the trust which are detailed elsewhere in this report.

	2017/18 £000's	2016/17 £000's
Income	115,652	109,557
Operating expenses	(115,262)	(112,229)
Financing and Public Dividend Capital	(1,720)	(2,072)
Retained deficit	(1,330)	(4,744)

During 2016/17 NHS England established a Sustainability and Transformation Fund (STF) to stabilise NHS operational performance. In the 2017/18 financial year the trust received £5.5m of STF income in the year. Without SFT the trust's deficit would have been £6.8m.

The trust also delivered an overall Use of Resources (UoR) rating of 3. The UoR rating measures a provider's financial sustainability, financial efficiency and financial controls.

The breakdown of the trust's UoR ratings is provided in section 3v Single Oversight Framework.

Full details of the trust's financial performance in 2017/18 can be found in the annual accounts within this report.

### Business overview

In 2017/18 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 £42,602k and £21,425k respectively. These contracts represent 55% of the trust's total income and 62% 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. 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 additional cost improvement savings in 2018/19. The trust has a strong record of delivering these efficiencies whilst continuing to develop the standard of clinical care to our patients, however ongoing delivery of further efficiencies is becoming increasingly difficult.

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

The trust continues to invest in estate, medical equipment and information technology for the benefit of our patients. Details of capital expenditure for 2017/18 are given in the table below:

Capital expenditure	2017/18 £000's	2016/17 £000s
Buildings	2,146	1,641
Fixtures and fittings	49	72
Information Technology	1,813	1,718
Medical Equipment	1,181	1,592
<b>Total</b>	<b>5,189</b>	<b>5,023</b>

### Cash and borrowing

As a result of the on-going deficit it was necessary for the trust to apply for additional Interim Revenue Support Facility from the Department of Health of £2m during the year. This was approved following a detailed review of the trust's cash flow forecasts by the trust's regulator. This takes the total amount of interim support to £14.6m of which £2.3m has been repaid. A further requirement for cash support will be required in 2018/19.

The trust has also drawn down in 2017/18 £1m of the £15m of capital funding in relation to the neonatal capital project, and £1m in relation to the trust's 'Fast Follower' award which supports the trust's advancement to digital maturity.

### 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

The trust's collaboration continues with the Aintree University Hospital NHS Foundation Trust and the Walton Centre NHS Foundation Trust in the Carbon Energy Fund (CEF) and is now seeing the successes of this initiative. Although energy consumption overall has seen an increase on the previous year, this increase has been largely due to the recent gynaecology service refurbishments in outpatients and in-patients and the consequential installation of energy intensive equipment such as the liquid nitrogen generators for the trust's fertility service which are consuming more energy.

Utilities	Annual usage			Annual cost (£)		
	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18
Gas (Kwh)	5,404,206	5,097,365	5,370,991	£173,291	£111,811	£146,854
Electricity (Kwh)	6,006,111	5,832,099	5,974,616	£724,471	£637,521	£742,905
<b>TOTAL</b>	11,410,317	10,929,464	<b>11,345,607</b>	£ 897,763	£749,332	<b>£889,759</b>
Water (m3)	34,335	33,571	32,562	£57,663	£57,141	£56,364
Clinical waste (Tonnes)	205	94	34.09	£114,120	£52,585	£18,625
Infectious waste (Tonnes)	Introduced in May 2016	25	40.55	Introduced in May 2016	£7,806	£13,089
Offensive waste (Tonnes)	Introduced in May 2016	76	109.08	Introduced in May 2016	£17,615	£24,217
Domestic waste (tonnes)	606	569	545	£71,207	£49,182	£49,519

### 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 was provided through a variety of channels, one of the many channels was via the Care Opinion portal ([www.careopinion.org.uk/](http://www.careopinion.org.uk/)) that allows for honest and meaningful conversations between patients and health services. The Trust also participates in all National Patient Surveys and much of the feedback is included in regular reports to our Board of Directors' Quality Committee and Council of Governors, detailing complaints, compliments, concerns and Friends and Family feedback. The 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 it receives from patients.

The Patient Experience Team work closely with patients, families and their carers in many different ways and there is a Patient Advice and Liaison Service (PALS) staffed office in the main reception area of the hospital building with information boards promoting the service installed around the trust. 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 the introduction of self-check-in kiosks, PEAT assessments, fundraising, and surveys.

In 2017/18 our volunteers gave a total of 9071.75 hours of their time to helping patients, relatives and staff at the hospital. On average, our wards, departments and services have been supported by 44 volunteers a week. The Volunteer Meet and Greet service continues to provide an invaluable service, its 35+ strong volunteer workforce have welcomed and offered assistance to over 26,000 patients, their families and visitors.

- ❖ **Hotel Services:** As reported last year the contract for the provision of these services was awarded to OCS Group UK Limited with a start date of 1<sup>st</sup> July 2017. The mobilisation of the new contract was very successful which included an upgrade of the main restaurant, the introduction of a Starbucks outlet in the newly refurbished combined outpatients facility, a new microfiber cloth and mop system and an innovative, battery operated iMop. The Trust and OCS continue to work in partnership to further develop these services during the life of the contract.
- ❖ **PLACE Assessment:** In the fifth year of the annual PLACE Assessment (Patient Led Assessment of the Care Environment) the trust scores were 99.89% for cleanliness (national average = 98.38%), 94.79% for quality of food (national average = 90.19%), 77.84% for privacy and dignity (national average = 83.68%), 94.75% for condition and appearance (national average = 94.02%) 72.71% for environment being able to support the care of those with dementia (national average 76.71%) and 74.90% for environment being able to support the care of those with a disability (national average = 82.56%). Action plans are in place to address those areas where the trust was below the national average and where it is able to make improvements to the environment for patients.
- ❖ **Safeguarding:** This has again been a year of significant activity and scrutiny, throughout which the trust has demonstrated that there are robust mechanisms in place to safeguard adults, young people and children from abuse. As the approach to safeguarding evolves and the complexity of decision making increases around newly recognised forms of harm and abuse, the current structures and processes have continued to develop in response. Through continued collaboration between, the Local Authority, Police and other services and external partners; the trust has further developed and implemented improvements in the quality and provision of services for children, young persons and adults to ensure that safeguarding practice and procedures are adhered to and compliant with National and Local standards, primary legislation, Government guidance and strategy.

Collaboration with partner trusts has enabled the trust to provide expert advice and strategic direction to Aintree University Hospital NHS Foundation Trust with regards to Safeguarding in accordance with National and Local policy and ensure the provision of assurance relevant to Safeguarding, to the Board of Directors. This has enabled us to build on the established Safeguarding Team and processes, compliant with legislation, within Liverpool Women's NHS Foundation Trust and further develop the collaborative vision for safeguarding across provider organisations. The trust has continued to ensure a close working relationship with commissioners and external agencies/partners regarding service design and delivery.

- ❖ **Liverpool Clinical Commissioning Group (CCG)** – during the year the trust worked closely with the Liverpool CCG as a part of our strategic work to secure the future clinical and financial sustainability of the services the trust provides. Regular contract monitoring meetings were held in respect of the services the CCG purchases from the trust, including scrutiny of our quality

performance. Liverpool CCG leads the new “One Liverpool” programme which aims to act as a vehicle to bring together health and social care.

- ❖ **Liverpool City Council** – the trust 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 One Liverpool Programme and the future strategic direction of the trust.
- ❖ **University of Liverpool** – with whom the trust continues to enjoy a strong partnership. The trust is 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** – the trust has continued to work in partnership with Edge Hill to provide expertise in to the provision of an MSc Clinical Reproductive Medicine and MSc Advanced Fertility Practice.

The Edge Hill and the trust successfully achieved validation with the Nursing & Midwifery Council to provide the clinical placement, the first in the country, for 18 month MSc Midwifery conversion course for qualified nurses.

- ❖ **Liverpool Health Partners (LHP)** – is a collection of high quality research partners from across the Liverpool. The 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.
- ❖ **Liverpool John Moores University** – the trust continues to provide placements for both nursing and midwifery students, and is considering future options in terms of academic research across both of these disciplines.

**Workforce Race Equality Standard (WRES):** The trust again submitted its Workforce Race Equality Standard (WRES), report in July 2017. The report was based on data from the trust Electronic Staff Record (ESR) and results from the national staff survey and includes an action plan of recommendations for action focused on improving representation and race equality in the workplace. The report highlighted that although there are lower numbers of BME staff who feel bullied or harassed, the trust has more work to do around eliminating potential bias in the recruitment process and increasing the diversity of our workforce at all levels as BME staff are concentrated at Bands 5 and 6 and within the medical workforce.

As anxiety, stress and depression continue to be a primary cause of sickness absence, we continue to invest in mental health support for our staff and have introduced Mental Health First Aiders (MHFA) training. The training provides a framework to help staff improve their own wellbeing and offer immediate help to other members of staff who are experiencing a range of mental health problems. The target is to train a minimum of 10% of staff and to maintain this figure and we are on track to



deliver this objective. We continue to be a signatory to the 'Mindful Employer Charter' in 17/18 and remains committed showing positive and enabling attitude to employees and applicants for employment who have mental health issues. A 'Reasonable Adjustments' policy has been developed to provide managers with additional support and guidance on how to support staff with mental health issues. A new contract has been awarded for counselling services to Mersey Care NHS Foundation Trust (Merseycare) who can provide a range of additional services to support staff including a 24/7 advice line and signposting to other mental health services such as CBT. The trust signed up to the Royal College of Midwifery's 'Caring for You' campaign which focuses on the particular health and wellbeing issues faced by midwives and are adopting good practice guidance from this campaign around rostering, breaks and stress at work.

The trust was re-accredited as a 'Disability Confident Employer' in July 2017. This accreditation lasts until July 2019. To gain accreditation, we had to provide evidence that we actively look to recruit disabled people, remove any barriers to them accessing roles and making reasonable adjustments where required.

Bullying and harassment continued to be an issue of concern cited in the Staff Survey, although levels at LWH are lower than at comparable trusts. The trust's Dignity at Work (DAW) Advisors continue to support staff with issues in the workplace the root cause of any issues, facilitating a conversation between the affected members of staff, recommending a formal mediation session for affected staff or signposting staff to the formal Dignity at Work Policy and Procedure. The trust has trained a group of in-house mediators with the aim of resolving conflict at an earlier stage and avoiding the need for formal processes. Appointment of a second Freedom to Speak up Guardian has also been made in 2017 and DAW Advisors will act as formalised support for the F2SU guardian to ensure there is increased availability for staff to access support.

The trust has entered into a partnership with neighbouring trusts to offer a pre-employment programme and offer returnee-ships, internships and pre-employment programmes where those who successfully complete programmes will be offered a bank post. This will aid the trust in increasing the number of under-represented groups in the workforce including youth and disabled people. The trust continues to work closely with local schools to offer careers taster days and work experience.

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, Equality Impact Assessments are carried out on all Cost Improvement and Transformation plans to ensure discrimination can be identified and eliminated at the earliest opportunity. These assessments are Quality Assured prior to any cost saving initiatives being initiated and recommendations for full consultation with those affected patients and staff are made where required.

**Modern Slavery Act 2015:** The Trust is fully aware of the responsibilities it bears towards patients, employees and the local community and as such, we have a strict set of ethical values that we use as guidance with regard to our commercial activities. We therefore expect that all suppliers to the Trust adhere to the same ethical principles.

**Likely future developments**

In 2018/19 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](http://www.liverpoolwomens.nhs.uk).

**Important events since the end of the financial year**

There have been no important events to report since the end of the financial year

**Overseas Operations**

Liverpool Women's NHS Foundation Trust had no subsidiaries or branches in operation outside the UK in 2017/18.

A handwritten signature in cursive script that reads "Kathryn Thomson".

**Kathryn Thomson**

Chief Executive

29 May 2018

## 3. Accountability Report

### 3i(a) Directors' report

#### The board of directors

During the period 1 April 2017 to 31 March 2018, the following were members of the trust's board of directors:

#### Non-Executive Directors

<i>Robert Clarke</i>	Chair	
<i>Ian Haythornthwaite</i>	Non-Executive Director & Vice Chair	To 6 April 2018
<i>Tony Okotie</i>	Non-Executive Director & Senior Independent Director	
<i>Phil Huggon</i>	Non-Executive Director	
<i>Jo Moore</i>	Non-Executive Director	
<i>Ian Knight</i>	Non-Executive Director	
<i>David Astley</i>	Non-Executive Director	
<i>Susan Milner</i>	Non-Executive Director	

#### Executive Directors

<i>Kathryn Thomson</i>	Chief Executive	
<i>Andrew Loughney</i>	Medical Director & Deputy Chief Executive <sup>(1)</sup>	
<i>Vanessa Harris</i>	Director of Finance	To 31 January 2018
<i>Jennifer Hannon</i>	Director of Finance	From 1 February 2018
	Interim Director of Strategy and Planning	From 1 October 2017 to 31 January 2018
<i>Doug Charlton</i>	Director of Nursing & Midwifery <sup>(2)</sup>	From 1 April 2017 – 30 November 2017
<i>Julie King</i>	Acting Director of Nursing & Midwifery <sup>(2)</sup>	From 13 November 2017
<i>Michelle Turner</i>	Director of Workforce and Marketing	
<i>Jeffrey Johnston</i>	Director of Operations	

Notes:

(1) Andrew Loughney was appointed Deputy Chief Executive from 1 February 2018.

(2) Doug Charlton left the Trust on 30 November 2017. Julie King was appointed as acting Director of Nursing and Midwifery from 13 November 2017.

#### 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 2017-18. 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 2017/18 the board met thirteen 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.

	BOARD OF DIRECTORS	AUDIT COMMITTEE	QUALITY COMMITTEE	PUTTING PEOPLE FIRST COMMITTEE	FINANCE PERFORMANCE AND BUSINESS DEVELOPMENT COMMITTEE
Robert Clarke	12 of 13				
Tony Okotie	12 of 13			4 of 5	
Ian Haythornthwaite	13 of 13	4 of 5			9 of 11
David Astley	13 of 13	5 of 5	7 of 7	5 of 5	
Phil Huggon	9 of 13		6 of 7		8 of 11
Ian Knight	13 of 13	5 of 5		5 of 5	
Jo Moore	10 of 13				10 of 11
Susan Milner	10 of 13		7 of 7		
Kathryn Thomson	10 of 13				4 of 11

Doug Charlton (to 30 November 2017)	8 of 9		3 of 4	3 of 4	
Julie King as acting Director of Nursing and Midwifery (from 13 November 2017)	3 of 4		3 of 3	1 of 1	
Vanessa Harris (to 31 January 2018)	10 of 11		4 of 5		7 of 9
Michelle Turner	11 of 13		4 of 7	4 of 5	
Andrew Loughney	12 of 13		7 of 7		
Jeffrey Johnston	12 of 13		7 of 7	4 of 5	11 of 11
Jennifer Hannon as interim Director of Strategy and Planning (from 1 October 2017 to 31 January 2018)	4 of 4				
Jennifer Hannon as Director of Finance (from 1 February 2018)	2 of 2		2 of 2		2 of 2

### How the board operates

During the year under review the board comprised of eight independent non-executive directors including the chairman and senior independent director and six (seven for a period of four months) voting executive directors including the Chief Executive. 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 appointment of an additional interim executive director for a period of four months, details of which can be found in section 3ii Remuneration Report. All board and board committee meetings held during the year had been quorate were formal decisions were required to be taken. All decisions made by the board and its committees had been approved unanimously. The 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 executive and non-executive directors can be found in section 3ii Remuneration Report.

The board have a collective responsibility for 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 financial 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 NHSI, the Care Quality Commission, NHS Resolution 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 thirteen 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.

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.

Performance evaluation of the Board, its Committees and individual Directors is undertaken in a number of ways; through review of its work plan; terms of reference of its committees and receipt of monthly updates and an annual report of achievements from each of its committees. At the conclusion of each meeting the board and its committees assesses the effectiveness of the meeting. The Trust undertook the NHS Improvement well led review in 2014/15 and this was updated further in 2015/16 with an assessment of the Board effectiveness following changes to the Chair and non-executive directors. A review in accordance with NHSI new well-led framework will be carried out in 2018.

All directors undergo an annual appraisal during which there is an evaluation of their performance against 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 are presented to the nomination and 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 commitments 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](http://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/](http://www.liverpoolwomens.nhs.uk/Contact_Us/) or via the Trust Secretary 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 good 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 and the council's sub-group meetings.

The council of governors have access to board meeting agenda and minutes and are able to, with other members of the public 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 and council sub-groups 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 and council sub-group 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](http://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 Quality Committee (previously 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 access to minutes. Urgent matters are escalated by the committee chair to the board through the chairs reports as deemed appropriate. Each committee is chaired by an independent non-executive director with exception of the Nominations and Remuneration committee which is chaired by the trust chair.

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; Quality 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.

### **NHS Improvement's well-led framework**

The NHS Improvement's (NHSI) well-led framework was developed by NHS Improvement as an assessment tool for trusts to use to benchmark their arrangements for the effective governance of the trust. In June 2017 NHSI published its new well-led framework which is structured around eight key lines of enquiry (KLOEs) these can be found at <https://improvement.nhs.uk/resources/well-led-framework/>. In 2014/15 a well-led review was conducted independently for the trust by Deloitte LLP and was based on NHS Improvement then published well-led framework for governance reviews and in late 2015 a follow up effectiveness review was conducted independently by Deloitte LLP following

significant changes in the non-executive director membership of the board and action plans were developed to address the future needs of the board following the appointment to a new chair (March 2016) and new non-executive directors (April 2016 and June 2016). As a part of the process Deloitte's officers observed a number of board meetings, met with all directors and a number of key staff and interviewed key stakeholder organisations. Feedback from the review has been received by the board and an action plan was developed to address any key weaknesses in the board's effectiveness and performance. The Board is proposing to undertake a well led review in accordance with NHSI's new guidance in 2018. For further details can be found in the Directors Report and the Annual Governance Statement.

### 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 the trust during 2017-18 and has not been asked to participate in special reviews or investigations by the Care Quality Commission during the reporting period.

In February 2018 the trust was formally inspected under the new CQC Inspection framework, with the final report published by CQC on 23 May 2018. The trust is pleased to announce that it has been given an overall rating of 'good'. The trust was described as safe, caring, effective, responsive and well-led in the report. An action plan will be agreed with the CQC to address area's that was felt could be further enhanced. Further details regarding the inspection and the findings of the report can be found in section 4, quality report.

### 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 2017/18 and 2016/17 is shown below:

Better Payment Practice Code	2017/18	2016/17
Value of invoices paid within 30 days	90%	89%
Number of invoices paid within 30 days	86%	87%

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 2017/18 was £2,880k (2016/17, £2,979k) which was 2.5% (2016/17, 3%) 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.

### **Emergency preparedness, resilience and response (EPRR)**

The trust has a duty under the Civil Contingencies Act 2004 to prepare for and provide an effective response in emergency situations and to incidents that may potentially cause disruption to service provision.

The Director of Operations is the designated Accountable Emergency Officer and holds responsibility for ensuring the organisation remains resilient and provides an effective response to emergencies.

The trust has emergency and business continuity plans in place and works in cooperation with other organisations to ensure the plans are effective. Lessons learned from emergency planning and business continuity incidents and exercises are shared across the organisation and incorporated into current plans and procedures.

The trust was required by NHSE to self-assess compliance in relation to the NHSE EPRR Core Standards v5 (September 2017). The trust achieved substantial compliance within this process and has work programmes in place to maintain this standard and implement further improvements.

### **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 is 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. These are 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 Mersey Internal Audit Local Counter Fraud Service is actively supported by the Director of Finance and the Audit Committee. A counter fraud work plan is agreed with the Director of Finance at the start of each year and provided to the Audit Committee for approval. The work plan outlines the core 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. The trust also has in place a whistle-blowing policy. The trust's accountable officer for fraud is the Director of Finance.

### **Information management and technology**

During 2017/18 Information management and technology (IM&T) achieved full accreditation to ISO9001, 22301 and 270001 along with fully achieving level 2 or above in every aspect of our Information Governance Toolkit, demonstrating an improvement on the previous year. The Trust was also not infected by the Cyber Security incident which impacted the NHS in May 2017, with no systems corrupted by the attack or patient appointments cancelled. The department continues to work closely with the EPR Programme Team with over 200 clinical staff being involved in the design of the system to date, with an expected go-live in 2018/19. The EPR is a partnership with Aintree University Hospitals NHS Foundation Trust and Royal Liverpool and Broadgreen University Hospitals for a single adult electronic record across the 3 trusts, which will account for around 85% of adult activity in the city and enable real time sharing of results and records.

In addition the Trust has been awarded global digital exemplar fast follower status, which along with funding of £5m over the next 4 years will enable the Trust to maximise digital technologies to transform the way we deliver care, in addition to the future EPR. This award is testament to the level of digital maturity the Trust has demonstrate over recent years, with the Trust ranked in the top 4 for Cheshire and Merseyside. To enable the vision for our digital future to be fully exploited, a new digital strategy will be presented to the Trust in 2018/19 as it aims to become the most cyber secure hospital in the NHS.

### **Consultations**

No formal public 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. The Trust hopes that a public consultation will be held during 2018/19.

### **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 6 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 3iii.
- ❖ Details of Sickness absence data can be found in the Staff Report section 3iii.
- ❖ Details of the trust's approach to communications with its employees can be found in the Staff Report section 3iii.
- ❖ 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 25 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 note 28 to the accounts.

**Appointment of External Auditors**

The council of governors, following a recommendation of the Audit Committee approved the appointment of KPMG LLP as the trust's external auditor for financial year 2017/18.

A handwritten signature in dark ink, reading 'Kathryn Thomson'. The signature is written in a cursive style with a large initial 'K' and a long horizontal stroke at the end.

**Kathryn Thomson**

Chief Executive

29 May 2018

### 3i(b) Audit committee report

The audit committee comprises solely of independent non-executive directors. The chair of the committee was Ian Knight. The other members of the committee during the year under review were Ian Haythornthwaite and David Astley. Attendance at meetings held during 2017/18 is shown in 3i(a) Directors Report.

The director of finance, deputy director of finance, financial controller and 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 2017/18 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 external audit, internal audit and counter fraud.

#### **Principal Review Areas in 2017/18**

The narrative below sets out the principal areas of review and significant issues considered by the committee during 2017/18 reflecting the key objectives set out in its terms of reference.

#### **Internal Control and Risk Management**

The committee has reviewed relevant disclosure statements for 2017/18 in particular the 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 trust's 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 were sufficiently robust.

The committee reviewed and approved the detailed programme of work for 2017/18 at its July 2017 meeting. This included a range of key risks identified through a review of the Board Assurance Framework and in 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 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 2017/18 at its meeting in July 2017. 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.

During 2016/17 the committee considered it appropriate to review the provision of internal audit and counter fraud services and agreed to proceed to a tender exercise for the provision of these services. Following the tender exercise the trust appointed Mersey Internal Audit Agency as the service provider for internal audit and counter fraud services. The appointment was effective from 1 April 2017.

### **External Audit**

The committee routinely received progress reports from the external auditor, including an 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 emerging issues which the committee may wish to consider. The committee also reviewed the trust's annual report and accounts 2016/17 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 NHSI's Code of Governance which formed part of the requirements for the production of the annual report.

At the January 2018 committee meeting, the committee received a report from the external auditor on the external audit plan for the annual report and accounts 2017/18. 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 plan was also presented to the Council of Governors at their meeting in January 2018.

The value of external audit services including assurance on the quality report for the year was £70,843 (2016/17, £58,800).

During 2016/17 the council of governors approved, following recommendation from the committee, the re-appointment of PricewaterhouseCoopers LLP as its external auditor for financial year 2016/17. For the external audit services for financial year 2017/18 onwards the committee undertook a mini competition by inviting bids from external audit providers on the Crown Commercial Service (CCS) framework; following which the committee at its meeting on 23 October approved the appointment of KPMG LLP and that a recommendation was made to the council of governors to appoint KPMG as the external auditors of the trust for a 3 year contract period from the 2017/18 to the 2019/20 financial years (with the option to extend for a further 2 years). The council of governors at its meeting on 25 October 2017 approved the appointment of KPMG LLP.



### **Going concern statement 2017/18**

The going concern statement was presented to audit committee at the committee meeting on 18 May 2017 where it was discussed and approved for recommendation to the Board of Directors.

### **Materiality in planning and performing the audit 2017/18**

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 1.4% (£1.5m) of total revenue for the year ended 31 March 2018.

### **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 2017/18 on Losses and Special Payments and Single Source Tender Waivers, changes to the trust's standing financial instruments and Scheme of Delegation, 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 2017/18, the external auditor, KPMG, had not been engaged in non-audit activity.

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 of the committee reports any areas of concern that may need to be addressed on the effectiveness of the committee. It is anticipated that the committee will be undertaking a full review of its effectiveness in 2018/19 which will be facilitated by MIAA.

**Ian Knight**

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 the managing partner of a family dairy farm and is a 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 Dairy Farmers of Britain Ltd in addition to his NHS role.

##### **Ian Haythornthwaite – Non-Executive Director and Vice Chair (to 6 April 2018)**

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.

##### **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 was Chief Executive of Liverpool Charity and Voluntary Service until December 2016 and is now currently working for BBC Children in Need. 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 from 1986. 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. Awarded an O.B.E in 2006 in recognition of his contribution to the NHS. He was born in Walton, 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 Science and Media Museum, managing the weekly Senior Screenings group, which provides refreshments before the film and a discussion group afterwards and a trustee for the Kelda Group Pension Plan

**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.

**Susan Milner - Non-Executive Director**

Susan joined the Board of Liverpool Women's in June 2016. She has held senior roles in the NHS, academia and local government for the past 20 years. She lives in Liverpool, and has worked within commissioning of health services in Liverpool & Halton. Susan has until recently been interim Director of Public Health (DPH) at London Borough of Havering. Whilst working at Liverpool PCT, Susan had responsibility for commissioning services for women and babies.

Susan is a registered nurse and a registered public health specialist and demonstrates a breadth and depth of experience which has taken her from dealing with individual patients in a hospital ward to a population-wide strategic leadership role across the health and social care economy.

#### **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 Innovation agency, Liverpool Health Partners and the North of England Health Education Board.

##### **Vanessa Harris BSc, ACA, MBA – Director of Finance and Deputy Chief Executive (from September 2009 to January 2018)**

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.

##### **Dr Andrew Loughney - Medical Director**

Andrew joined the trust in April 2016 as Medical Director and was appointed Deputy Chief Executive from February 2018. 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.

**Jeffrey Johnston FCCA, Director of Operations**

Jeff joined the trust in December 2005 as the Assistant Director of Finance. He moved into operational management in 2009 and held a number of senior management roles including Divisional Manager, managing all the divisional services within the trust. Jeff became the Director of Operations in 2016. Prior to joining the trust Jeff held a number of senior positions in both the NHS and other public sector organisations.

**Doug Charlton – Director of Nursing & Midwifery (from April 2017 to October 2017)**

Doug was appointed Director of Nursing & Midwifery and joined the trust in April 2017 and left on 1 November 2017. He is a registered Nurse and Midwife with over 30 years' experience. He was one of the first male midwives in the country and has continued to practice throughout his career; holding a number of senior clinical and managerial posts across the country, joining us from Whittington Health where he was Deputy Director of Nursing & Patient Experience

**Julie King – Acting Director of Nursing and Midwifery (from October 2017)**

Julie commenced her career with the NHS in 1995 and joined the Trust in January 2016 as the Deputy Director of Nursing and Midwifery. In October 2017 Julie was asked to act up into the role of Director of Nursing & Midwifery. She is a Registered Nurse and Non-Practising Barrister with lengthy experience in the healthcare sector.

**Jennifer Hannon BA (Hons) FCA – Director of Finance (from February 2018 ); Interim Director of Strategy and Planning (from October 2017- February 2018)**

Jenny first joined Liverpool Women's in 2012, and after a short spell at NHS England, returned to the Trust in 2014 as Deputy Director of Finance. She joined the Board of Directors in October 2017, undertaking the role of Director of Strategy and Planning on an interim basis, before taking up the post of Director of Finance in February 2018. Jenny trained with professional services firm EY and is a Chartered Accountant and Fellow of the Institute of Chartered Accountants in England and Wales. She has held a number of senior finance roles across a range of organisations and has long standing ties with Liverpool as well as experience of working on national and international projects.

### 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.

8 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
- ❖ University of Liverpool – one Appointed Governor
- ❖ Faith Organisations – one Appointed Governor
- ❖ Community & Voluntary Organisations – one Appointed Governor
- ❖ Liverpool Hope University/ Liverpool John Moores University/ Edge Hill University - one Appointed Governor
- ❖ University of Liverpool/ Liverpool Hope University/ Liverpool John Moores University/ Edge Hill University – one student 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 by-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 2017 and March 2018 the council met on four occasions in public additionally the members of the council met to attend the councils four sub-groups/committees meetings, explained below. Details of governor attendance at the full council meetings are set out in the table below.

Public Governor (Elected)	Term in Office	From	To	Council of Governors meetings attended, April 2017 - March 2018
<b>Central Liverpool</b>				
Issac Olaitan Okeya	3 Years	2017	2020	2 of 2
Sarah Carroll	5 years	2015	2020	2 of 4
Terri Anne Green	3 years	2015	2018	1 of 4
Saad Al-Shukri	3 years	2015	2018	4 of 4
Rochelle Ralph	2 years	2015	2017	1 of 2
<b>North Liverpool</b>				
Elizabeth Williams	3 years	2015	2018	3 of 4
Adrian O'Hara	5 years	2015	2020	4 of 4
<b>South Liverpool</b>				
Sheila Gwynn-Adams	3 years	2015	2018	4 of 4
Richard Roberts	3years	2016	2019	2 of 4
<b>Sefton</b>				
Pat Speed	6 years	2014	2020	2 of 4
Carole McBride	3 years	2015	2018	3 of 4
<b>Knowsley</b>				
Vacant	-	-	-	-
Vacant	-	-	-	-
Sheila Phillips	4 years	2013	2017	0 of 2
<b>Rest of England and Wales</b>				
Vacant	-	-	-	-
Dr Aminu Musa Audu	2 years	2017	2019	4 of 4
Helen White	3 years	2014	2017	0 of 2

Staff Governor (Elected)	Term in Office	From	To	Council of Governors meetings attended, April 2017 - March 2018
<b>Doctors</b>				
Dr Adel Soltan	6 years	2013	2019	4 of 4
<b>Nurses</b>				
Gillian Walker	3 years	2017	2020	1 of 1
Sharon Owen	2 years	2015	2017	2 of 4
<b>Midwives</b>				
Pauline Kennedy	3 years	2016	2019	3 of 4

Scientists, technicians and allied health professionals				
Vacant	-	-	-	-
Gail Mannion	3 years	2014	2017	2 of 4
Administrative, clerical, managers, ancillary and other support staff				
John Foley	6 years	2014	2018	4 of 4

Appointed Governor (Elected)	Organisation	Council of Governors meetings attended, April 2017 - March 2018
Cllr Tim Beaumont	Liverpool City Council	2 of 4
Cllr Patricia Hardy	Sefton Borough Council	0 of 1
Cllr Linda Cluskey	Sefton Borough Council	1 of 2
Cllr Kay Moorhead	Knowsley Borough Council	0 of 4
Dr Ana Alfirovic	University of Liverpool	2 of 4
Rev. Cynthia Dowdle	Faith Organisations	3 of 4
Mary McDonald	Community & Voluntary Organisations	4 of 4
Valarie Fleming	Education Institutions	2 of 3
Prof. Raphaela Kane	Education Institutions	0 of 1

### Governor elections in year

Governor elections are carried out by Electoral Reform Services and the returning officer was Jasper Loxton. Elections carried out between July 2017 and 6 October 2017 related to the following constituencies: Public – Central Liverpool (2 seats); Public – North Liverpool (1 Seat); Public – Sefton (1 seat); Public – Knowsley (2 seats); Public – Rest of England and Wales (1 seat); Staff – Nurses; and Staff - Scientists, Technicians and Allied Health Professionals. There were three uncontested seats: Sarah Carroll and Isaac Olaitan Okeya were elected unopposed to Central Liverpool constituency and Adrian O’Hara was elected unopposed to North Liverpool constituency. Five seats did not receive a nomination: Public – Knowsley (2 seats); Public – Rest of England and Wales (1 seat); Staff – Nurses; and Staff - Scientists, Technicians and Allied Health Professionals and one seat: Public – Sefton was contested and Pat Speed was duly elected. The following table set out the election results for Public – Sefton constituency.

Date of Election	Constituencies involved	No of Members in Constituency	No of Seats Contested	Number of Contestants	Election Turnout %
6 October 2017	Public – Sefton	1,267	1	2	7%

In December 2017 a by-election was called for the five seats left vacant from the elections in October 2017. Four seats did not receive a nomination and remain vacant. One nomination was received for Staff – Nursing and Gillian Walker was duly elected unopposed to that seat.

### Lead governor

The lead governor is Sheila Gwynn Adams who was elected to the post by the Council of Governors for a period of three years from December 2015 and is the point of contact between NHS Improvement (NHSI) and the council, in circumstances only where it would be inappropriate for NHSI to contact the trust chair.



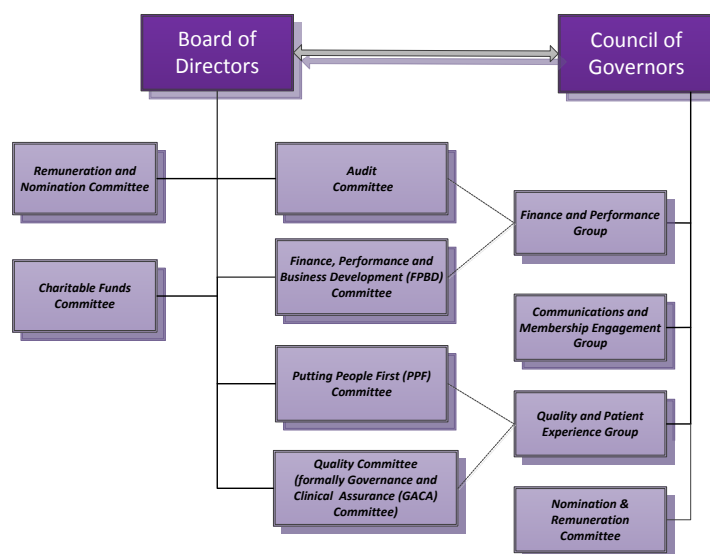
## Role of the Council of Governors

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 Group Structure

The Council agreed the new assurance sub-group structure at its meeting in April 2017. The sub-groups mirror the board committee structure (see diagram below) and support the governors in obtaining assurance on the operation of the Trust. The new 'sub-group' structure for the Council of Governors comprises of: a Communications and Membership Engagement Group; a Quality and Patient Experience Group; and a Finance and Performance Group. Each sub-group have their own terms of reference and are chaired by a governor and supported by Non-Executive Directors and Executive Directors/Managers; 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.



**Communications and Membership Engagement Group:** The purpose of the Group is to assist the council in the performance of its duties, including recommending objectives and strategy in the development of Communications and Membership matters, having regard to the interests of its Public & Staff members, its patients and other stakeholders.

**Quality and Patient Experience Group:** The purpose of the Group is to assist the council in the performance of its duties in the provision of assurance concerning the delivery of quality and safe healthcare; by gaining greater understanding of the influences that impact on the provision of care and services in support of getting the best outcomes and experience for patients.

**Finance and Performance Group:** The purpose of the Group is to assist the council in the performance of its duties in the provision of assurance of the trust's financial and operational performance

**Nomination and Remuneration Committee:** The work of the councils Nomination and Remuneration Committee is outlined in section 3ii Remuneration Report.

Each of the council's sub-group reports to the council and makes recommendations for its consideration appropriate to their terms of reference.

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 and governor groups in order to understand governors' views and concerns and all directors receive agenda for the council's meetings. The Board has a standing invitation to attend all meetings of the Council.

### **Governors' attendance at organised and supported events**

Alongside the formal meetings and sub-groups/committees, briefing sessions and communications have taken place to both inform the governors of trust initiatives and work programs and gain their views and support.

During the year in order to compliment the councils understanding of the trust's activities, Governors supported the trust in undertaking a number CQC 'mock' inspections which provided the trust with an insight into its quality of care to patients taking into account the CQC key lines of enquiry. Governors also attended the Patient-led assessments of the care environment (PLACE) which provides motivation for improvement by providing a clear message, directly from patients, about how the environment or services might be enhanced. Trust staff and governors participated in the Birth and Beyond Baby Show at the Echo Exhibition Centre Liverpool in March 2018. Governors also support the trust's excellence awards.

Alongside the above activities two governors, Mary McDonald and Sheila Gwynn-Adams attend the trust's Experience Senate as governor representatives on the Senate and Sheila Gwynn-Adams also attends the trust's Diversity and Inclusion Committee; both provide the Senate and Committee with insight into the needs of patients and their families.

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. Governors have actively sought to engage with patients and contribute to a process of improving services.

Specific governor engagement externally have included; attendance at the Merseyside Council of Faiths and provided an update on future generations; attendance at meetings of Sandringham Medical Centre Patients Participation Group to update on the future generations; attendance at a Women in Politics and Public Life event; attendance at MRANG events and Safeguarding and Benefits events.

Governors are not remunerated but they are entitled to claim expenses in connection with their duties.

A governors' register of interests is maintained. Members of the public can find the register of interests at [www.liverpoolwomens.nhs.uk](http://www.liverpoolwomens.nhs.uk).

All directors' invited to attend at meetings of the council held during 2017/18 is set out below:

		Quarterly Meetings attended April 2017 to March 2018
Non-Executive Directors		
<b>Robert Clarke</b>	Non-Executive Chair <sup>(1)</sup>	4 of 4
<b>Ian Haythornthwaite</b>	Non-Executive Director & Vice Chair	1 of 4
<b>Tony Okotie</b>	Non-Executive Director & Senior Independent Director	4 of 4
<b>Phil Huggon</b>	Non-Executive Director	4 of 4
<b>Ian Knight</b>	Non-Executive Director	4 of 4
<b>David Astley</b>	Non-Executive Director	3 of 4
<b>Susan Milner</b>	Non-Executive Director	3 of 4
<b>Jo Moore</b>	Non-Executive Director	1 of 4
Executive Directors		
<b>Kathryn Thomson</b>	Chief Executive	3 of 4
<b>Doug Charlton</b>	Director of Nursing & Midwifery (1 April 2017 – 30 November 2017)	2 of 3
<b>Vanessa Harris</b>	Director of Finance (1 April 2017 to 31 January 2018)	4 of 4
<b>Michelle Turner</b>	Director of Workforce and Marketing	2 of 4
<b>Andrew Loughney</b>	Medical Director	3 of 4
<b>Jeffrey Johnston</b>	Director of Operations	2 of 4
<b>Julie King</b>	Acting Director of Nursing & Midwifery (from 13 November 2017)	2 of 2
<b>Jennifer Hannon</b>	Interim Director of Strategy and Planning (1 October 2017-31 January 2018)	2 of 2
	Director of Finance (from 1 February 2018)	0 of 0

**NOTE (1): Robert Clarke is chair of 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.

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. Members of staff are able to opt out of being a member if they wish.

As at 31 March 2018 the trust had **10,946** members:

<b>Public</b>	<b>Number</b>
Central Liverpool	2813
North Liverpool	1593
South Liverpool	1353
Knowsley	1126
Sefton	1252
Rest of England and Wales	1412
<b>Total public membership</b>	<b>9449</b>
<b>Staff</b>	<b>Number</b>
Doctors	78
Nurses	383
Midwives	340
Scientists, technicians and allied healthcare professionals	365
Administrative, clerical, managers, ancillary and other support staff	331
<b>Total staff membership</b>	<b>1497</b>

Led by its Communications and Membership Engagement Group, the trust's council developed and approved a three year membership strategy in January 2017. 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 sought to engage with as many people across the city to support the trust's Future Generations Strategy. Engagement with members and the public take a number of forms, via direct email to member, or through social media such as Facebook and Twitter.

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](mailto:communications@lwh.nhs.uk) or to contact Governors, [governor@lwh.nhs.uk](mailto: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.

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 an acting Director of Nursing and Midwifery to cover for an interim period the post vacated by the Director of Nursing and Midwifery; the appointment of an interim Director of Strategy and Planning; and the appointment of the trust's substantive post of Director of finance in the place of the retiring Director of Finance; the appointment of a Deputy Chief Executive; and the review of performance of executive directors and their remuneration for further details see the paragraph 'Annual Report on Remuneration'.

#### 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	<p>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. Executive directors receive pay increases each year linked to pay increases for staff under agenda for change.</p> <p>Basic pay of the non-executive directors is determined by the Governor nominations and remuneration committee.</p>

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 either twelve or six months' notice under the terms of their contract of employment. Executive directors who are required to give and receive twelve months' notice are: Kathryn Thomson; Andrew Loughney; Michelle Turner; Jeffrey Johnston and executive director who is required to give and receive six months' notice is Jennifer Hannon. Compensation payments payable to executive directors are in accordance with their contract, which entitles them to either twelve months' or six months' pay on termination by the trust. 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 and are not entitled to compensation for loss of office.

The term of office of the current chair and non-executive directors are listed below:

	Commencement date	Term of Office expiry date
<i>Robert Clarke</i>	01 March 2016	28 February 2019
<i>Ian Haythornthwaite</i>	01 May 2011	06 April 2018 <sup>(1)</sup>
<i>Tony Okotie</i>	01 July 2015	30 June 2021 <sup>(2)</sup>
<i>Phil Huggon</i>	04 April 2016	31 March 2019
<i>Jo Moore</i>	04 April 2016	31 March 2019
<i>Ian Knight</i>	04 April 2016	31 March 2019
<i>David Astley</i>	04 April 2016	31 March 2019
<i>Susan Milner</i>	01 June 2016	31 May 2019

The Council of Governors approved the re-appointment of:

- (1) Ian Haythornthwaite for an additional period of 12 months from 1 May 2017 to 30 April 2018 at its meeting in January 2017. Following agreement with the Chair, Ian Haythornthwaite term of office finished on 6 April 2018.
- (2) Tony Okotie for an additional period of three years from 1 July 2018 to 30 June 2021 at its meeting on 25 April 2018.

### Civil Service Remuneration Threshold

In the 2017/18 financial year 2 (2016/17: 1) of the Executive Directors were paid more than the £150,000 threshold level which the Civil Service uses as a threshold for approval by the Chief Secretary to the Treasury as set out in guidance issued by the Cabinet Office. 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.

The membership of the board's nomination and remuneration Committee comprised the trust's Chair and the Non-Executive Directors. The trust secretary is 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 eight during the year as follows:

	Number of meetings
Robert Clarke, Chair	8 of 8
Ian Haythornthwaite, Non-Executive Director	6 of 8
Tony Okotie, Non-Executive Director	7 of 8
David Astley, Non-Executive Director	8 of 8
Phil Huggon, Non-Executive Director	7 of 8
Susan Milner, Non-Executive Director	7 of 8
Jo Moore, Non-Executive Director	5 of 8
Ian Knight, Non-Executive Director	8 of 8
Kathryn Thomson, Chief Executive	7 of 8

During the year under review the committee met to discuss the composition of the executive team and the following decisions were made.

***Interim Director of Strategy and Planning:*** The Committee received a recommendation from the Chief Executive to create an additional interim executive director position on the board of directors; interim director of strategy and planning and the subsequent appointment of Jenny Hannon to the position. This role maintained full voting rights on the Board of Directors. The committee supported the need for the position of interim director of strategy and planning and the proposal to appoint Jenny Hannon to the position in recognition that the promotion to the post would aid the retention of an experienced deputy finance director with the necessary skills in the development of strategy and financial planning. The agreed remuneration of the interim director of strategy and planning was commensurate with the role and experience.

***Director of Nursing and Midwifery:*** The committee considered a proposal from the Chief Executive regarding the post of Director of Nursing and Midwifery and the incumbent, Dr Doug Charlton. Doug

Charlton had requested following a period of illness that he be allowed exit the trust within his contractual entitlements. The Committee acknowledged Doug Charlton's wishes and agreed that his exit from the Trust on 30 November 2017. As a consequence of Doug Charlton's period of illness and exit from the trust the committee agreed to uplift the Deputy Director of Nursing and Midwifery to the acting role of acting director of nursing and midwifery whilst consideration was given to filling the post on a permanent basis. This was effective from 13 November 2017.

**Director of Finance:** The committee considered a proposal from the Chief Executive regarding the retirement of director of finance, Vanessa Harris. Vanessa Harris had provided 12 months' notice of her intention to retire on 3 April 2018. In order to fulfil the trust's obligations in appointing a director of finance in accordance with the trust constitution, the committee undertook an open and competitive recruitment process for the appointment of a director of finance following the retirement of the incumbent. This was undertaken by the trust with no support from external recruitment consultants. Following short-listing and interview the Committee agreed to appoint Jenny Hannon to the role of Director of Finance, with effect from 3 April 2018.

Following the approval for the appointment of Jenny Hannon to the position of director of finance, the chief executive made a recommendation to the committee to allow Vanessa Harris to terminate her employment with the trust on 31 January 2018, with a PILON payment of 8 weeks and 4 days, and that Jenny Hannon assume the position of director of finance on 1 February 2018. The Committee recognised that the trust would be entering a new phase in the annual planning cycle, contract negotiations and budget setting and that these activities together with the taking forward of the neonatal business case would be undertaken by Jenny Hannon, it was therefore felt appropriate that Jenny Hannon assume all the responsibilities of the accountable financial officer at such a key phase in the trust's planning process. The committee therefore approved the resignation of Vanessa Harris on 31 January 2018 and the appointment of Jenny Hannon to the position of director of finance on 1 February 2018.

**Deputy Chief Executive:** Following the decision of allow Vanessa Harris to retire from the trust on 31 January 2018, the Committee approved the appointment of Andrew Loughney, medical director to the role of deputy chief executive from 1 February 2018.

The committee considered the remuneration of the executive directors and noted that as previously agreed the executive directors pay increases each year from 2017/18 onwards would be linked to pay increases for staff under agenda for change. For 2017/18 this amounted to a 1% increase on basic salary.

### **Council of Governors Nomination and Remuneration Committee**

The nomination and remuneration committee of the trust's council of governors oversees the appointment of the non-executive chair and non-executive directors to the Board; reviews the annual appraisal of the Chair and non-executive directors; and determines their remuneration and terms and conditions. The committee is chaired by the trust's chair and its members during the year were: public – Sheila Gwynn Adams (lead governor), Liz Williams, Saad Al Shukri and Richard Roberts; Staff – Gail Mannion (to 14 October 2017) Gill Walker (from 24 January 2018); and appointed - Ana Alfievic.

The Committee met three times during the year to: review the performance appraisal of the chair and non-executive directors and determine any increase or changes to their remuneration and terms and



conditions. In determining the remuneration and terms and conditions of non-executive directors and the non-executive chair the committee undertook a benchmarking exercise using data provided by the Foundation Trust Network which is drawn from information provided by all NHS Foundation Trusts. As a consequence the committee did not propose an increase in remuneration or any changes to the terms and conditions of the non-executive directors and chair. The Committee also met to review the proposal for the re-appointment of Non-Executive Director, Tony Okotie for a further period of three years from 1 July 2018 and the appointment of Jo Moore as the Vice Chair in place of Ian Haythornthwaite who left the trust on 6 April 2018. Proposals relating to the re-appointment and vice Chair position was taken to the Council of Governors on 25 April 2018 and the Council approved the re-appointment and vice Chair.

### **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.

## Salary Entitlements of Senior Managers 2017/18

		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	160 - 165	-	-	-	50 - 52.5	215 - 220	2 - 3
Andrew Loughney	Medical Director <sup>(1)</sup>	130 – 135	-	5 - 10	20 - 25	7.5 - 10	165 - 170	0 - 1
Doug Charlton	Director of Nursing & Midwifery In post to 30 November 2017 <sup>(2)</sup>	110 - 115	-	-	-	-	110 - 115	-
Julie King	Acting Director of Nursing & Midwifery from 1 December 2017 <sup>(3)</sup>	35 - 40	-	-	-	-	35 - 40	-
Vanessa Harris	Director of Finance In post to 31 January 2018	135 - 140	-	-	-	27.5 - 30	165 - 170	-
Jennifer Hannon	Interim Director of Strategy and Planning from 1 October 2017 to 31 January 2018	35 - 40	-	-	-	32.5 – 35	70 - 75	-
Jennifer Hannon	Director of Finance In post from 1 February 2018	15 - 20	-	-	-	35 - 37.5	55 - 60	-
Michelle Turner	Director of Workforce and Marketing	110 - 115	-	-	-	77.5 - 80	190 - 195	-
Jeffrey Johnston	Director of Operations	110 - 115	-	-	-	35 - 37.5	145 - 150	-
Robert Clarke	Non-Executive Chair	35 - 40	-	-	-	-	35 - 40	34 - 35
Ian Haythornthwaite	Vice Chair & Non-Executive Director	10 - 15	-	-	-	-	10 - 15	13 - 14
Ian Knight	Non-Executive Director	10 - 15	-	-	-	-	10 - 15	18 - 19
Tony O'Kotie	Non-Executive Director	10 - 15	-	-	-	-	10 - 15	38 - 39
David Astley	Non-Executive Director	10 - 15	-	-	-	-	10 - 15	40 - 41
Phil Huggon	Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 11
Susan Milner	Non-Executive Director	10 - 15	-	-	-	-	10 - 15	2 - 3
Joanne Moore	Non-Executive Director	10 - 15	-	-	-	-	10 - 15	11 - 12

(1) Included within the salary and fees of Andrew Loughney (Medical Director) is £60,702 (0.40 WTE) in relation to his work in a clinical role.

(2) There are no Pension related Benefits figures for Doug Charlton (Director of Nursing & Midwifery) as he has claimed his NHS pension during the 2017/18 financial year.

(3) There are no Pension related Benefits figures for Julie King (Director of Nursing & Midwifery) as she is not a member of the NHS pension scheme.

Band of Highest Paid Director's Remuneration (in band of £5,000)	160 - 165
Median Total Remuneration (£)	£31,723
Ratio	5.12

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

#### Salary Entitlements of Senior Managers 2016/17

		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	155 - 160	-	-	-	105 - 107.5	260 - 265	2 - 3
Joanne Topping	Acting Medical Director <sup>(1)</sup> <i>In post to 17 April 2016</i>	5 - 10	-	0 - 5	-	12.5 - 15	20 - 25	-
Andrew Loughney	Medical Director <sup>(2)</sup> <i>In post from 18 April 2016</i>	120 - 125	-	5 - 10	-	1,020 – 1,022.5	1,150 – 1,155	2 - 3
Vanessa Harris	Director of Finance	120 - 125	-	-	-	25 - 27.5	145 - 150	-
Dianne Brown	Director of Nursing & Midwifery	105 - 110	-	-	-	2.5 - 5	110 - 115	7 - 8
Michelle Turner	Director of Workforce and Marketing	110 - 115	-	-	-	75 - 77.5	185 - 190	1 - 2
Jeffrey Johnston	Director of Operations	105 - 110	-	-	-	132.5 - 135	240 - 245	0 - 1
Robert Clarke	Non-Executive Chair <i>In post from 1 March 2016</i>	35 - 40	-	-	-	-	35 - 40	18 - 19
Ian Haythornthwaite	Vice Chair & Non-Executive Director <i>In post from 1 April 2015 until 31 January 2016 &amp; from 1 March 2016 until 31 March 2017</i>	10 - 15	-	-	-	-	10 - 15	21 - 22
Ian Knight	Non-Executive Director <i>In post from 4 April 2016</i>	10 - 15	-	-	-	-	10 - 15	16 - 17

<b>Tony O'Kotie</b>	Non-Executive Director <i>In post from 1 July 2015</i>	10 - 15	-	-	-	-	<b>10 - 15</b>	1 - 2
<b>David Astley</b>	Non-Executive Director <i>In post from 4 April 2016</i>	10 - 15	-	-	-	-	<b>10 - 15</b>	24 - 25
<b>Phil Huggon</b>	Non-Executive Director <i>In post from 4 April 2016</i>	10 - 15	-	-	-	-	<b>10 - 15</b>	9 - 10
<b>Susan Milner</b>	Non-Executive Director <i>In post from 1 June 2016</i>	5 - 10	-	-	-	-	<b>5 - 10</b>	-
<b>Joanne Moore</b>	Non-Executive Director <i>In post from 4 April 2016</i>	10 - 15	-	-	-	-	<b>10 - 15</b>	14 - 15

(1) Included within the salary and fees of Joanne Topping the (Acting Medical Director) is £2,891 (0.45 WTE) in relation to her work in a clinical role.

(2) Included within the salary and fees of Andrew Loughney (Medical Director) is £49,558 (0.40 WTE) in relation to his work in a clinical role. In 2016/17 the All Pension Related Benefits for Andrew Loughney (Medical Director) are disclosed in the band 1,020 - 1,022.5 because this is the first year that he has been a Senior Manager and therefore the movement is from a £nil value in the prior year.

<b>Band of Highest Paid Director's Remuneration (in band of £5,000)</b>	<b>155 - 160</b>
<b>Median Total Remuneration (£)</b>	<b>£31,221</b>
<b>Ratio</b>	<b>5.04</b>

*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 2018 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2018 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2017	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018
		£000	£000	£000	£000	£000	£000	£000
Kathryn Thomson	Chief Executive	2.5 - 5	7.5 - 10	65 - 70	205 - 210	1,247	140	1,400
Andrew Loughney	Medical Director	0 - 2.5	2.5 - 5	45 - 50	140 - 145	842	73	923
Doug Charlton	Director of Nursing & Midwifery - from the 1st April 2017 to the 30th November 2017 (1)	-	-	-	-	584	-	-
Julie King	Director of Nursing & Midwifery - from the 1st December 2017	-	-	-	-	-	-	-
Vanessa Harris	Director of Finance - to the 31st January 2018	0 - 2.5	5 - 7.5	35 - 40	105 - 110	605	63	686
Jennifer Hannon	Interim Director of Strategy and Planning - from the 1 October 2017 to 31 January 2018	0 - 2.5	-	5 - 10	0	67	7	89
Jennifer Hannon	Director of Finance - from the 1st February 2018	0 - 2.5	-	5 - 10	-	67	3	89
Jeffrey Johnston	Director of Operations	0 - 2.5	5 - 7.5	45 - 50	145 - 150	870	96	974
Michelle Turner	Director of Workforce & Marketing	2.5 - 5	10 - 12.5	45 - 50	145 - 150	821	129	958

(1) There are no Pension figures for Doug Charlton (Director of Nursing & Midwifery) as he has now claimed his NHS pension during the 2017/18 financial year.

(2) There are no Pension figures for Julie King (Director of Nursing & Midwifery) as she is not an existing member of the NHS pension scheme.

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.

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 2017/18 is 1%.

### **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 2017/18 was £162,500 (2016/17, £157,500). This was 5.12 times (2016/17, 5.04) the median remuneration of the workforce, which was £31,723 (2016/17, £31,221). In 2017/18, 6 (2016/17, 6) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £165,871 to £258,065 (2016/17, £168,182 to £190,564).

The ratio is consistent year on year because the remuneration of the highest paid director has increased in line with the median remuneration.

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 (2016/17, £nil).

### **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 (2016/17, £nil).

### **Governors' expenses**

In the year 2017/18 expenses of £211 was claimed by Governors, (2016/17, £98)



**Kathryn Thomson**

Chief Executive

29 May 2018

### 3iii Staff report

#### Analysis of Average Staff Numbers and Costs

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 2017/18, as per the categories listed in the FTC template; for clarity, there are no staff engaged overseas. As at 31<sup>st</sup> March 2018, there were 9 staff on paid secondments to the EPR project. The workforce is broken down as follows:

51.27%	Maternity, Neonatal and Clinical Support
25.13%	Gynaecology, Anaesthesia, Theatres and Genetics
15.44%	Corporate Support Services
8.16%	Hewitt Fertility Centre

The following chart shows the average number of employees on a whole time equivalent basis

	Permanent Number	Other Number	2017/18 Total Number	2016/17 Total Number
Medical and dental *	135	13	148	140
Administration and estates *	270	13	283	299
Healthcare assistants and other support staff *	166	12	178	183
Nursing, midwifery and health visiting staff *	598	27	625	646
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff *	135	1	136	131
Other	0	15	15	20
<b>Total average numbers</b>	<b>1,304</b>	<b>81</b>	<b>1,385</b>	<b>1,419</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	7	3	10	16

\*2016/17 restated figures

#### Breakdown of year end numbers of male/female staff

The trust workforce profile as at 31<sup>st</sup> March 2018 shows that 89.5% of staff employed at the trust are female and the remainder 10.5% are male. This gender split is broken down as below:

Group	Female	Male	Total
Director	4	3	7
Senior Manager	16	14	30
Staff	1319	140	1459
<b>Total</b>	<b>1339</b>	<b>157</b>	<b>1496</b>

## Staff Costs

	Permanent	Other	2017/18 Total	2016/17 Total
	£000	£000	£000	£000
Salaries and wages	53,335	1,952	55,287	54,951
Social security costs	4,474	-	4,474	4,485
Apprenticeship levy	219	-	219	-
Employer's contributions to NHS pensions	5,694	-	5,694	5,584
Pension cost - other	6	-	6	5
Termination benefits	111	-	111	222
Temporary staff	-	853	853	1,252
<b>Total staff costs</b>	<b>63,839</b>	<b>2,805</b>	<b>66,644</b>	<b>66,499</b>
<b>Of which</b>				
Costs capitalised as part of assets	186	24	210	578

## 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
15 - 16 Sickness	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%
16 - 17 Sickness	4.42%	3.51%	3.05%	3.09%	4.61%	5.03%	5.16%	5.88%	6.32%	5.92%	5.56%	5.71%	4.96%
17 - 18 Sickness	4.64%	5.17%	4.56%	4.05%	4.51%	3.26%	4.15%	4.29%	4.28%	5.58%	5.23%	4.66%	4.66%

The above table shows that in 2017/18 the cumulative year end figure has decreased from 4.96% in 2016/17 to 4.66%. Sickness levels were lower in quarter 2 & 3, with the 3.5% target being achieved on 1 occasion. Levels have been above target throughout the year, following the broad annual trend of peaking in Jan with 5.58%.

Sickness continues to be proactively managed and line managers receive ongoing support and training from the HR team. Peaks of sickness in departments are correlated against other indicators such as staffing levels, complaints and incidents to identify any areas requiring further intervention.

The 3 main reasons for sickness absence in 2016/17 were stress, musculoskeletal and 'other known causes'.

	2015	2016	2017
Stress / Depression / Anxiety	20.3%	20.99%	21.83%

The results above demonstrate a slight increase in the number of staff suffering with stress from 2016/17 to 2017/18, however the NHS Staff Survey results for 2017 identified that 32% of staff had suffered work related stress in the last 12 months, the same as 2016.

A number of actions have been implemented to support the mental health and wellbeing of staff. A number of staff have been trained as Mental Health First Aiders and this will be 10% of all staff by the end of the year. In addition, personal resilience training for staff and managers has continued and training to be rolled out over the coming year aiming for a minimum of 10% staff trained and PDR



training and paperwork includes conversations and tools to have conversations about mental wellbeing.

The trust moved to a new counselling and physiotherapy provider in November 2017 which offers value added services such as a 24/7 help and advice line for staff as well as extended options for psychotherapeutic services such as CBT.

### **Staff Policies & Actions Applied During the Financial Year**

During the last financial year there have been 18 ratified new or revised policies. There is a HR Policy Audit Schedule in place to ensure full audits of all policy KPI's are measured and met within an annual cycle. A policy review group with staff side partners continues to be productive and ensures that staff side have the opportunity to input into policies at an early stage. .

The Freedom to Speak-up Guardian role is now fully established with a second FTSU Guardian appointed in February 2018. 23 contacts were made to the Freedom to Speak Up Guardian requesting support to raise a concern; in addition to these another 14 contacts were made requesting a safe space to talk through a work related issue. Due to a period of absence by the FTSU Guardian, the trust received support from the post holder at the Royal Liverpool University Hospitals Trust.

A Guardian of Safe Working was also appointed as part of the implementation of the new junior doctor national terms and conditions of service. Since October 2016, 11 exception reports have been received, primarily relating to run-overs in theatre. This is being addressed by a review of rota templates to ensure they are aligned with theatre scheduling. All doctors have been given time back in lieu

The trust has an over-arching Equality, Diversity and Human Rights policy which sets out our commitment to becoming an inclusive organisation in all aspects of employment and all aspects of service delivery. In relation to supporting staff with disabilities, the trust has been recredited as a 'Disability Confident Employer' and is committed to supporting staff to gain access to employment and maintain employment. . The trust is also a 'Mindful Employer' and has signed up to the charter to ensure that people with mental health conditions find or remain in employment.

Further changes have been made to the Attendance Management Policy to articulate how we support staff with disabilities via reasonable adjustments and a separate reasonable adjustments policy is awaiting ratification. 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.

The trust has entered into a partnership with 3 other NHS trusts in the local areas with the aim of improving access into NHS Employment. An employment mentor has been appointed to co-ordinate a programme of returnee-ships, internships and pre-employment programmes where those who successfully complete programmes will be offered a bank post. This will aid the trust in increasing the number of under-represented groups in the workforce including youth and disabled people.

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. The FTSUG has a visible presence in the trust and has held a number of awareness events.

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 continues to work productively with the Staff Side Chair who is a midwife.

The trust has monthly briefing sessions on its key operational and strategic priorities. This is complemented by a formal programme of Staff Side and Medical Director 'walkabouts' and an executive visibility programme as well as informal opportunities to meet with the Chief Executive at 'coffee mornings'. Specific briefings have continued in relation to the future strategic direction of the trust and the timescales for public consultation.

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. 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 performance meetings with the Executive Team. 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.

During the year, the trust's Health and Safety Manager continued to develop, review and implement health and safety policies and procedures to meet both internal and external requirements in order to keep our patients, staff and visitors safe. Monitoring of health and safety related non-clinical incidents was carried out throughout the year and identifiable trends and RIDDORs investigated and acted upon. There has been provision of training for Manual and Load Handling, IOSH Managing Safely for Managers, training for Designated Medical and Nursing Officers in relation to Oxygen Safety in all areas. Fit Mask Testing has been completed with all relevant staff as part of the Emergency Preparedness process. The Health & Safety Committee and supporting risk management working groups aim to identify and mitigate risk through lessons learned to reduce accidents and incidents, improve health and safety awareness, provide a broad base of expertise and experience for solving problems and in engaging staff, so that concerns can be raised and addressed, as appropriate.

In relation to occupational health, the service was outsourced to Aintree University Hospitals Foundation Trust in April 2017 and has provided a responsive service, delivering on key performance indicators as well as offering additional services such as 'employee wellbeing healthchecks'. The flu campaign was successfully completed with 75.1% of clinical staff vaccinated. The Health and Wellbeing Committee was reformed in June 2017 with representative membership across staff groups and areas and an annual plan of activities have been developed building informed by staff survey, guidance from NHS Employers and feedback from Staff at the annual Health and Wellbeing day

There are a number of staff policies which support Fraud Prevention, including Disciplinary, Job Planning for Consultant Medical Staff, Job Planning for SAS Doctors, Recruitment & Selection policy. An audit on bank and agency staffing processes was undertaken in February 2017 and provided significant assurance. There were actions relating to rest breaks for agency staff and the recommendations have been implemented. 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. No cases of fraud were investigated in 17/18

### **Staff Survey Results 2017**

The trust is committed to listening to the views of our staff and recognising their achievements on a regular basis. We believe that motivated and engaged staff delivers 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 2016, we continued to opt for a full survey of all our staff and received a positive response rate of 61%.

The Staff Engagement Score 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 staff engagement score in 2017 was 3.80 compared to 3.77 in 2016

<b>Key Finding 1.</b> <b>Staff recommendation of the organisation as a place to work or receive treatment</b>	<b>3.83</b>
<b>Key Finding 4.</b> <b>Staff motivation at work</b>	<b>3.87</b>
<b>Key Finding 7.</b> <b>Percentage of staff able to contribute towards improvements at work</b>	<b>69%</b>
<b>Overall Staff Engagement Score</b>	<b>3.8</b>

The 2017 survey reported minimal changes compared to 2016. There have been no areas of deterioration and one area of improvement 'the number of staff who felt confident reporting unsafe clinical practice'. The survey illustrates that further work is to be done around a number of key themes including involvement and communication, and programmes of work including the Leadership Programme need to continue

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

Top 5 ranking scores	Average for acute specialist trusts	Trust 2017	Trust 2016
% of staff reporting most recent experience of violence	70%	81% <sup>(1)</sup>	53%
% of staff believing the Trust offers equal opportunities for career progression	88%	91%	89%
% of staff witnessing potentially harmful errors, near misses or incidents	27%	24%	23%
% of staff experiencing physical violence from patients, relatives or the public	7%	3%	3%
% of staff experiencing discrimination at work in the last 12 months	9%	7%	7%

Note (1): This score should not be read in isolation to "staff who have experienced violence". The number of staff who said they experienced violence was 3% of which 81% said they had reported it. In this case the higher the reporting the better.

Bottom 5 ranking scores	Average for acute specialist trusts	Trust 2017	Trust 2016
Quality of appraisals	3.16	2.93	2.92
Staff recommendation as the Trust as a place to work or receive treatment	4.16	3.83	3.79
Organisation and management interest in health and wellbeing	3.73	3.57	3.63
% of staff able to contribute to improvements at work	73%	69%	67%
% of staff reporting good communication between senior management and staff	35%	31%	31%

The trust recognises that the Staff Survey is one opportunity of many to hear the views of our staff. The trust has purchased a new employee engagement survey tool to replace the 'PULSE' survey called Go Engage. The programme has been developed by an occupational psychologist based at Wrightington Wigan and Leigh NHS Foundation Trust. Based on existing research, they have identified the nine 'enablers of engagement' have shown to lead to staff demonstrating greater advocacy, persistence, adaptability and discretionary effort.

The system consists of: an online survey tool; and a 'Go Engage Programme' - an engagement programme delivered to teams, which provides the skills to enhance team engagement and performance. Key actions to address the findings from the survey are as follows:

#### Investing in our leaders

- ❖ 50% of Band 7's have now attended Leadership Development Programme. The learning from the programme will continue to be embedded and further rolled out. Quality Improvement Training and Practical Management Skills including rota management have been integrated into the programme.
- ❖ Audit Personal Development Reviews (PDRs) across the trust, review objectives and provide support to managers in setting objectives. Instigate the use of team objectives across the trust.
- ❖ Roll out the 'Aspirant Talent' programme to identify future Ward Manager / Matrons.

- ❖ Audit quality of TNAs and ensure link with all PDRs.

#### **Effective communication and management support**

- ❖ Improve the visibility of all managers from executives to middle managers. Ensure visibility is an objective for all managers.
- ❖ Medical Director / Staff Side Chair walkabouts with executive team members in partnership with the staff side chair to continue.
- ❖ Ensure timely communication of trust wide objectives and vision and ensure that organisational goals are aligned with the objectives of managers, teams and individuals to achieve shared accountability.
- ❖ Continue with the quarterly Listening Events and ensure that feedback is provided on a regular basis.
- ❖ Roll out of Go Engage team development programme.

#### **Reward and recognition**

These actions reflect 2016 actions as further work needs to be undertaken to progress.

- ❖ Review our reward and recognition structures.
- ❖ Ensure that compliments and positive feedback are reported formally in the same way as complaints.
- ❖ Implement simple schemes such as 'thank you' postcards on every reception desk for patients / staff to write the name of someone who has delivered exemplary service.
- ❖ Investigate other ways to recognise teams such as the ward accreditation scheme.

#### **Health and Wellbeing**

- ❖ Re-invigorate the existing health and wellbeing group to implement the health and wellbeing action plan produced in 2016.
- ❖ Assess the success of resilience training and implement further measures around stress management.
- ❖ Develop individual 'support plans' addressing work challenges, physical and psychological health.
- ❖ Promote and maximise use of staff support and counselling services provided by Merseycare.

#### **Workforce Planning**

- ❖ Through the Strategic Workforce Group, ensure a trust wide, co-ordinated approach to workforce planning and the development of new roles to deliver a sustainable workforce supply.

#### **Expenditure of Consultancy**

Consultancy costs for the financial year 2017/18 was £313K (2016/17, £472K).

#### **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 2018, for more than £245 per day and that last for longer than six months:

	2017/18 Number of engagements
<b>Number of existing engagements as of 31 Mar 2018</b>	<b>8</b>
<b>Of which:</b>	
Number that have existed for less than one year at the time of reporting	1
Number that have existed for between one and two years at the time of reporting	5
Number that have existed for between two and three years at the time of reporting	1
Number that have existed for between three and four years at the time of reporting	-
Number that have existed for four or more years at the time of reporting	1

All existing off-payroll engagements, outlined above, have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax; and where necessary that assurance has been sought.

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months:

	2017/18 Number of engagements
<b>Number of new engagements, or those that reached six months in duration between 01 April 2017 and 31 March 2018</b>	<b>3</b>
<b>Of which:</b>	
Number assessed as within the scope of IR35	3
Number assessed as not within the scope of IR35	-
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	-
Number of engagements reassessed for consistency / assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018:

	Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	16

### Reporting of compensation schemes - exit packages 2017/18

In the 2017/18 financial year, there have been 5 other departures under the Mutually Agreed Resignation Scheme (MARS) totalling £110k. The table below discloses the compulsory redundancies

and other departures, highlighting the staff numbers that fall within the differing cost ranges in the 2017/18 financial year.

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
<b>Exit package cost band (including any special payment element)</b>			
<£10,000	-	2	2
£10,001 - £25,000	-	1	1
£25,001 - 50,000	-	1	1
£50,001 - £100,000	-	1	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
<b>Total number of exit packages by type</b>	-	5	5
<b>Total resource cost (£)</b>	£0	£110,000	£110,000

#### Reporting of compensation schemes - exit packages 2016/17

In the 2016/17 financial year, there were 14 other departures under the Mutually Agreed Resignation Scheme (MARS) totalling £222k. The table below discloses the compulsory redundancies and other departures, highlighting the staff numbers that fall within the differing cost ranges in the 2016/17 financial year.

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
<b>Exit package cost band (including any special payment element)</b>			
<£10,000	-	8	8
£10,001 - £25,000	-	3	3
£25,001 - 50,000	-	2	2
£50,001 - £100,000	-	1	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
<b>Total number of exit packages by type</b>	-	14	14
<b>Total resource cost (£)</b>	£0	£222,000	£222,000

Exit packages: other (non-compulsory) departure payments

	2017/18		2016/17	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Mutually agreed resignations (MARS) contractual costs	5	110	14	222
Contractual payments in lieu of notice	2	56	-	-
<b>Total</b>	<b>7</b>	<b>166</b>	<b>14</b>	<b>222</b>



### 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 NHS Improvement's Code of Governance where the trust is required to provide supporting explanations.

For the year 2017/18 the trust can confirm that it complies with the provisions of the Code

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.	<p>In 2017/18 the board of directors met formally on 13 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.</p> <p>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.</p> <p>A general statement on the handling of disputes is contained in the trust's constitution.</p>	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 attendance by directors.	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
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	<p>Full details of Governors and their terms of appointment is given in section 3i(d) Council of Governors &amp; Members.</p> <p>The trust's Lead Governor was public Governor: Sheila Gwynn Adams from December 2015 to date</p>	Comply

Code provision	Trust position	Comply or explain?
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.		
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. The Board believes that the non-executive directors are independent.	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.	Section 3i(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 committee should be set out in publicly available, written terms of reference.	Section 3ii Remuneration report  The committees' terms of reference are available on request from Corporate Support Manager Louise Florensa at <a href="mailto:louise.florensa@lwh.nhs.uk">louise.florensa@lwh.nhs.uk</a> .	Comply
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	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	Comply

Code provision	Trust position	Comply or explain?
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.	<p>appointment as Chair are disclosed to the Council before appointment.</p> <p>The Chair's other significant commitments are included Section 3i(c) Board of Directors pen portraits</p> <p>Changes to the Chair's commitments are reported to the Council of Governors as they arise.</p> <p>The trust's Chair has not been the substantive Chair of another Foundation trust during his tenure.</p>	
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.	<p>3i(a) Director's report</p> <p>3i(b) Audit Committee report</p> <p>3ii Remuneration report</p> <p>3vii Annual Governance Statement.</p>	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. 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.	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 relating to the effectiveness of the Board of Directors. Deloitte's LLP have no other connection with the trust. Having undertaken the additional review in 2016/17 the Board anticipates undertaking a full evaluation in 2018/19.	Comply
C.1.1 The directors should explain in the annual report their responsibility for	<p>3i(a) Director's report</p> <p>3vii Annual Governance Statement</p> <p>5. Auditors report</p>	Comply

Code provision	Trust position	Comply or explain?
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).		
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 3vii Annual Governance Statement	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. <i>[external auditor appointment]</i>	3i(b) Audit Committee report	Comply
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	Not applicable	Comply

Code provision	Trust position	Comply or explain?
elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.		
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 strategy is reviewed and developed by the Council's Communication and Membership Engagement Group and is available to the Board.  Section 3i (d) Council of Governors & Members.	Comply

### 3v Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes: Quality of care; Finance and use of resources; Operational performance; Strategic change; and Leadership and improvement capability (well-led).

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

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and first two quarters of 2016/17 relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

#### Segmentation

NHS Improvement has placed the trust in segment 3. 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 required specific actions to be taken. The trust will comply with the requirements of the enforcement undertaking and report compliance through its integrated governance structure.

This segmentation information is the trust's position as at 31 March 2018. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

#### Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2017/18 Scores				2016/17 Scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial Sustainability	Capital Service Capacity	4	4	4	4	4	4
	Liquidity	4	4	4	3	4	4
Financial efficiency	I&E margin	4	4	4	4	4	4
Financial Controls	Distance from financial plan	1	1	1	1	1	1
	Agency Spend	1	1	1	1	1	1
Overall Scoring		3	3	3	3	3	3

A score of 4 on any of the metrics will lead to a financial override score of 3.

### 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 National Health Service Act 2006 (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 NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Liverpool Women's NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of 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 *Department of Health Group Accounting Manual* and the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual)* have been followed, and disclose and explain any material departures in the financial statements;
- assess the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The accounting officer is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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. The accounting officer is also responsible for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance.

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

A handwritten signature in black ink, reading 'Kathryn Thomson'. The signature is written in a cursive, flowing style.

**Kathryn Thomson**

Chief Executive

29 May 2018



## 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

A 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. A system of internal control is based on an on-going process designed to identify and prioritise 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. A system of internal control has been in place in Liverpool Women's NHS Foundation Trust for the year ended 31 March 2018 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 with the medical director and absolute delegated authority for quality, improvement, risk management and complaints, and is executive lead for health and safety, 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;
- ❖ The director of operations is responsible for emergency planning;
- ❖ 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 areas of accountability. 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, reproductive medicine, neonates, genetics and clinical support services led by the director of operations who reports directly to the Chief Executive.

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 monthly to review all significant corporate risks and considers whether any risks need to be escalated to the relevant committee/senate and/or entered onto the Board Assurance Framework (BAF). The Committee is also responsible for ensuring that any lessons learned arising from the corporate risk register is communicated across the trust. The Corporate Risk Committee reports to the Quality Committee (formally the Governance and Clinical Assurance Committee) of the Board of Directors.

The risk management strategy identifies the Chief Executive as providing leadership and accountability to the trust for risk management and quality improvement. The Board of Directors 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. Training on use of the trust's risk software is also provided across the trust. 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, Board committees and to subordinate senates/committees and services. Reports focus on the performance management of actions and recommendations and seek to eliminate any risk of false assurance. During the year a number of 'deep dives' had been undertaken to test how well embedded 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 other assurance committees: Quality Committee; Finance, Performance and Business Development Committee; and Putting People First Committee monitor the trust's BAF and have oversight of progress against action plans prepared in respect of the key strategic risks. Each committee reports directly to the board. The Board reviews the BAF as a minimum quarterly and receives escalated reporting of changes to the risks from its assurance committees as required. These are reported to the Board through each committees chairs report.

The BAF has been reviewed and considered by its internal auditors in preparing their Head of Internal Audit Opinion and Annual Report for 2017/18. In this opinion Substantial Assurance was given that that there is a good 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 monitors the trust's significant risks to the achievement of its strategic objectives. The significant operational 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. The risks on the BAF are reported in the main body of the annual report; section 2i Overview of performance.

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 determined by the trust's appetite.

During the year the trust's biggest risk, as described in the BAF was that in order to be clinically and financially sustainable the trust would need to undertake major change over an extended time period, ensuring the best clinical outcomes for patients, maintaining a well-led motivated and engaged workforce, delivering the trust's financial plans, delivering a positive patient experience and learning from significant events.

During 2017/18 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 transparency 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 NHS Improvement, the Care Quality Commission 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 a quality checking process to allow them to correct any errors and review data entry processes. A performance report relevant to the specific areas of responsibility is then reviewed at the trust's assurance committees: Finance, Performance and Business Development Committee; Quality Committee and Putting People First Committee and ultimately by 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 Ulysses, 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.

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 the Finance Performance and Business Development 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 each meeting of the Board of Directors, sometimes: by the patient in person; via a video; audio recording; or on the patients' 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 are reported to the Board to disseminate across the trust for learning. The trust also considers complaints, litigation and PALS (Patient Advice and Liaison Service) feedback as important indicators of quality. The board committees receive reports detailing this feedback.

#### **Compliance with the NHS foundation trust condition 4 (FT governance)**

The trust has in place a governance structure to support compliance with the NHS Foundation trust condition 4(8)(b) (Foundation Trust governance). During the year the trust's Board of Directors comprises of eight Non-Executive Directors including the Chair and six (seven for a period of 4months) 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 appointments and dismissal arrangements and approval of the trust's annual report and accounts. It acts in accordance with the requirements of its terms of its provider license as a Foundation trust.

Assurance committees:

- ❖ 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;
- ❖ 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 and financial 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 board of directors and/or audit committee as appropriate;
- ❖ The Quality Committee is responsible for providing the board of directors with assurance on aspects of quality in respect of clinical care 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 board of directors and/or audit committee 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 board of directors and/or audit committee as appropriate;
- ❖ The Nomination and Remuneration Committee has two responsibilities it: oversees the recruitment and selection of the chief executive and executive directors and reviews the structure, size and composition of the executive management team on the board of directors; and determines the remuneration, terms of service and other contractual arrangements relating to the chief executive and executive directors. The committee also responsible for succession planning in respect of executive appointments and for any disciplinary or termination matters relating to the executive management team;

Each assurance 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 nomination and remuneration Committee comprise solely of non-executive directors.

The board reviews its effectiveness on an annual basis, often with an external facilitator. Each assurance committee reviews its 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 submitted to the board for review and approval. The audit committee reviews its effectiveness with input from the trust's internal and external auditors. Each assurance committee routinely receives chairs Reports of meetings held by its subordinate senates/committees.

Directors' responsibilities are set out in their job descriptions in which reporting lines and accountabilities are identified. The chair leads the board of directors and council of governors and 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 the individual directors own and the board's behaviour and decision making.

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 are held to account individually and collectively by the council of governors for the effectiveness of the collective board. They seek to 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 believes 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 and acts as the trust's accountable officer in the establishment of effective performance management arrangements and controls.

As chief executive I seek to provide visible leadership in developing a healthy culture for the organisation, and ensure that this is reflected in my own and the executive directors' behaviour and decision making. The 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. They seek to actively support and promote a positive culture for the organisation and reflect this in their own behaviours. Executive directors seek to nurture good leadership at all levels.

All directors (executive and non-executive) operate as members of the unitary Board.

To assure itself of the validity of its annual governance statement required under NHS FT Condition 4 the board of directors receives the annual assurance statement and associated evidence. In previous annual reports I had reported that 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.

The board receives the latest up to date 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 Committee, Quality Committee, and Putting People First Committee) review aspects of the trust's performance in accordance with the terms of reference approved by the board.

The trust is able to assure itself of the validity of its Annual Governance Statement by referring to the Board's review of effectiveness, the annual reports of assurance 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 trust in a variety of ways. The agenda for all meetings, from the Board through its integrated governance structure, 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 where appropriate an entry is made to 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 or BAF would then be updated accordingly.

The trust's Cost Improvement Programme (CIP) includes a process of quality impact assessment (QIA) and equality impact assessment (EIA). These assessments must be approved by the Medical Director and Director of Nursing and Midwifery with a confirmation that the CIP scheme will not impact negatively on patient safety and quality. The trust also performs post-implementation reviews of CIP schemes in accordance with best practice, the results of which are reported to Finance, Performance and Business Development Committee.

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. The trust has progressed from being in the lowest quartile of incident reporters in 2015 to being the 2<sup>nd</sup> highest incident reporter nationally in the most recently released NHS England data. The incident reporting profile has also shifted towards greater recognition of no or low harm incidents.

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 play a role in representing the interests of those the trust serves and holding the non-executive directors and therefore the board to account for the services provided by the trust.

The trust is fully compliant with the registration requirements of the Care Quality Commission. Assurance is obtained on compliance with CQC registration requirements and is reviewed by members of the executive team and via the quality committee.

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 details of which can be found throughout the annual report.

The trust has undertaken risk assessments and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, 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.

The trust follows NHS England's guidance in reporting never events, serious incidents and carrying out investigations. Both the local commissioners and the regulators are informed of the trust's never events and serious incidents and monitor the outcomes. Never events and serious incidents are managed operationally through the Safety Senate and through the Quality Committee. The trust reported two Never Events during 2017-18. The trust has responded quickly and thoroughly to the operational issues raised in each incident, informing both commissioners and regulators at each stage and monitoring closely the ensuing changes in practice. In addition the trust has this year strengthened oversight and support to ensure that the Board is well sighted on never events and serious incidents. Both the board of directors and the assurance committees seek to challenge the assurance given in relation to actions taken arising from never events and serious incidents to ensure that never events and serious incident investigations are making a difference and leading to improvement and learning as a fundamental part of their purpose.

### **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 are able 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 executive directors.

The board and the Finance, Performance and Business Development Committee review the financial position of the trust through its financial performance 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 quality committee.

### **Information governance & Data Quality**

In 2016/17, I reported on a confidential breach that saw an employee, who has since left the trust, removing confidential information from the premises for a different purpose than it was originally intended. The incident is now being led by the Information Commissioner who is undertaking a Section 55 Data Protection breach investigation.



During 2017/2018 there was a serious breach of confidentiality which occurred when an employee accessed another employee's records without a legitimate need to do so. The incident was dealt with through the normal investigatory and disciplinary processes.

The trust recognises the importance of data security and has robust measures in place to reduce the risks from cyber-attacks including ransomware and computer viruses. The trust has obtained the highest level of certification for Information technology security, attaining ISO9001, ISO27001 and ISO23001.

The trust's Information Risk Management Policy provides the key principles; legislative and good practice framework; revised information governance structures; and roles and responsibilities, including the concept of Information Asset Owners within the trust so that the impact of any cyber-attack is mitigated. This also includes effective software and security updates, network monitoring and CareCert management processes.

All policies regarding email and internet access has been adopted to reflect the additional capabilities that new security applications provide for and as a consequence of the measures put in place the trust was not infected during the cyber-attack on the NHS in May 2017 and there were no patient appointments cancelled or any delays to care.

The trust monitors data quality through a regular data quality sub-committee that reports through the information governance committee to FPBD and focusses on specific specialties to ensure regular representation from senior managers and clinicians. This provides a forum for informatics and operational staff to discuss issues and key data items relating to their specialty. Regular data quality reports, validations and audits are undertaken to provide me with assurance that submitted data is representative of the trusts activity.

### **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 a quality report for each financial year. NHS Improvement has issued guidance to NHS foundation trusts 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 effectiveness lead who is a consultant clinician. Effectiveness 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 the director of nursing and midwifery, 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. The quality metrics are identified by key stakeholders and the report is made available to them in draft form for review and comment. The medical director, director of nursing and midwifery, deputy director of nursing and midwifery and the quality improvement lead

attend events hosted by clinical commissioning groups and local authorities, to present the quality report and address comments and questions. The input of stakeholders adds further to the balanced view presented in the quality report.

A performance report and dashboard is in place in order to review and report on quality metrics. This is updated monthly and is reviewed across the trust's integrated governance structure and ultimately by the board. The Board has approved its quality strategy for 2017-20 and this can be found on the trust website.

Data sources used in the production of the quality report 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 KPMG 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 NHS Improvement 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 of internal control**

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 trust that 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; the audit committee; the quality committee; the clinical governance senates (safety senate, effectiveness senate and experience senate) and the Corporate Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system of internal control 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 his opinion, that substantial assurance can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. The overall opinion is underpinned by the work conducted through the risk based internal audit plan, including Combined Financial Systems, HR Payroll and Quality Spot Checks and was provided in the context that the Board like other organisations across the NHS was facing a number of challenging issues and wider organisational factors.

<b>Financial Position</b>	The Trust Board has taken action to improve the financial position of the Trust and regular updates are provided at Board meetings. The successful delivery of cost saving plans has been a key focus for the Board throughout 2017/18 and will be going forward into 2018/19. At Month 10 the Trust was £0.088m favourable against the planned £3.438m deficit with a projected year end forecast £555k favourable against the budgeted £4m deficit control total. The year end accounts confirm that the Trust has more than delivered its £4m deficit 2017/18 budget control total, improving on the original plan by £0.3m, which was matched by £0.3m of incentive Sustainability and Transformation Funding (STF). A further £2.0m of bonus STF was then allocated to the Trust, meaning the total value of STF received is £5.5m (versus £3.2m budget). Therefore, the final outturn for the year ended 31st March 2018 is a deficit position of c. £1.3m.
<b>NHSI Risk Rating</b>	The Trust currently has a risk rating of level 3 on a scale of 1-4 with 4 being the lowest rating. The distressed financing cash drawdown for 2017-18 was £2m compared with the original requirement envisaged of £4m.
<b>CQC Inspection</b>	The Trust has been subject to a CQC inspection in year for which the Trust is awaiting formal feedback. The Trust needs to ensure actions identified as part of the CQC inspection are progressed and implemented.
<b>Financial Position</b>	The Trust Board has taken action to improve the financial position of the Trust and regular updates are provided at Board meetings. The successful delivery of cost saving plans has been a key focus for the Board throughout 2017/18 and will be going forward into 2018/19. At Month 10 the Trust is £0.088m favorable against the planned £3.438m deficit with a projected year end forecast £555k favorable against the budgeted £4m deficit control total.
<b>NHSI Risk Rating</b>	The Trust currently has a risk rating of level 3 on a scale of 1-4 with 4 being the lowest rating. The distressed financing cash drawdown for 2017-18 is expected to total £2m compared with the original requirement envisaged of £4m.
<b>CQC Inspection</b>	The Trust has been subject to a CQC inspection in year for which the Trust is awaiting formal feedback. The Trust needs to ensure actions identified as part of the CQC inspection are progressed and implemented.
<b>Senior Management Changes</b>	Senior management within the Trust has been subject to some change during 2017/18 with a new Director of Finance and Acting Director of Nursing & Midwifery being appointed. Both appointments were achieved internally which should assist continuity.
<b>Performance</b>	Operationally the Trust has continued to regularly report its performance against a range of targets. It has consistently exceeded the targets for the Friends and Family test and with regard to the number of complaints received.  The Public Board papers and discussions with management highlight that there are concerns with regard to the reporting of cancer targets and referral to treatment times that have been escalated to regulators and are currently being investigated
<b>Staff Survey (2017)</b>	The Trust compare well to 'acute specialist trusts' regarding opportunities for career progression and experiencing / reporting of incidents, violence and discrimination. The Trust compare less well around quality of appraisals, communication, health and wellbeing and recommending the Trust as a place to work or have treatment.
<b>STP</b>	The Trust is part of the Cheshire and Merseyside STP and continues to progress its proposals for the Clinical Case for Change with support from an external assurance provider.

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 his Opinion to be of sufficient concern to cause the overall opinion to be negative.

My review of effectiveness is also informed by reports and minutes from the Audit Committee, Quality Committee, Finance, Performance and Business Development Committee, Putting People First Committee, Clinical Governance Senates (safety senate, effectiveness senate and experience senate), 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.

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 Quality Committee, Finance, Performance and Business Development Committee and Putting People First Committee, each of which provides strategic direction and assurance to the Board in respect of risk management;
- ❖ The Effectiveness Senate and Quality 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 Internal Control Issues

Significant control issues are reported to the Board via one of its assurance committees. All significant risks identified within the BAF have been reviewed in-year by the board and relevant assurance committee and appropriate control measures put in place.

The trust identified the following internal control issues during 2017/18. These have been or are being addressed through the mechanisms described in this statement.

**18 week Referral to Treatment and Cancer 62 day:** The Trust declared two serious incidents relating to breaches of national access targets in February 2018 – one related to patients who had been referred into the Trust by a GP with suspected cancer and who had subsequently breached the 62 day target; the second incident related to failure to accurately report patients who had breached the 18 week (referral to treatment) target. Both incidents were reported internally on the trust's incident reporting system and externally on the national incident reporting system. The Trust also alerted

NHS Improvement, NHS England and Liverpool Clinical Commissioning Group to the reported incidents when they occurred and also advised the Care Quality Commission of the incidents.

A formal Serious Incident investigation was completed by an external investigator who was an expert in respect of cancer pathways and other referral to treatment targets. There are two reports – one for each incident. The Trust has been systematically working through the recommendations of these reports to improve systems, processes and compliance to the national targets.

The reported positions on the Cancer 62 day target has been corrected from January 2018 and the 18 week referral to treatment target from February 2018. The trust's priority, in such matters has been to identify whether any patient had suffered a detriment in their care or whether any harm was caused by the delays. As a consequence clinical reviews have taken place for individual patients who had been significantly delayed in receiving treatment and in relation to this cohort of patients the reviews have concluded that no harm to the patients has occurred.

The Trust has been open and transparent with patients and where appropriate patients have received a letter from the Trust apologising and assuring them that clinical review by a senior doctor had confirmed that they had suffered no harm or detriment as a result. I am confident that following full implementation of actions arising from the incidents and those lessons learned are disseminated across the Trust, such that incidents of this nature will not re-occur. Furthermore I am confident that the integrated governance structures in place relating to assurance surrounding data quality support my view that the data quality issues reported are limited to 18 week Referral to Treatment and Cancer 62 day targets.

**NHS Improvement Enforcement Undertaking:** Following an investigation in November 2015, NHS Improvement acknowledged that the trust had taken steps to address its financial challenges however they wished to determine what additional support they could offer the trust as it seeks to reduce its financial deficit and ensure long term sustainability. On 8 April 2016 NHS Improvement took action, under the license for providers, 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 continues to comply with the requirements of the enforcement undertaking and report compliance through the governance structure.

## Conclusion

The Board is committed to continuous improvement and the development of systems of internal control and the Trust has continued to make significant improvements to the system of internal control; the internal auditor's opinion provides that assurance. There are however some areas where further improvement is required. Actions are in place to address the issues leading to the control issues described and the Board are confident that there is a robust system in place to oversee the implementation of these actions.



**Kathryn Thomson**  
Chief Executive  
29 May 2018





## 4. Liverpool Women's NHS Foundation Trust

### Quality Report 2017/18



# 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 8<sup>th</sup> Quality Report.





## Part 1

# Statement from the Chief Executive

Welcome to Liverpool Women's NHS Foundation Trust's 8<sup>th</sup> annual Quality Report. This provides an opportunity for us to report on the quality of healthcare provided during 2017-18, celebrate our achievements and to share with you the Trust's key priorities for quality in 2018-19. 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 2017/18, 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.

The trust monitors data quality through a regular data quality sub-committee that reports through the information governance committee to FPBD and focusses on specific specialties to ensure regular representation from senior managers and clinicians. This provides a forum for informatics and operational staff to discuss issues and key data items relating to their specialty. Regular data quality reports, validations and audits are undertaken provides me with assurance that submitted data is representative of the trusts activity.

I am confident that the integrated governance structures in place relating to assurance surrounding data quality support my view that the data quality issues reported are limited to 18 week Referral to Treatment and Cancer 62 day targets.

I would like to take this opportunity to discuss some of our "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 to develop plans for the long term future of our services. This started with our Future Generations Strategy and has continued through our work with Liverpool CCG which will hopefully lead to a public consultation on the future of our services.

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. Every stage of work has produced opportunities 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.

This year has also seen the completion of two improvement projects to our current site, to

keep our existing patients safe while we determine the long term future of our services. Our two gynaecology wards have been transformed into one Gynaecology Unit which provides a better space for patients and staff. In addition, we have re-developed our Outpatients Department which provides better facilities for patients and a more accessible space. Finally, we have received funding approval of £15m to upgrade and expand our existing Neonatal Unit which will help to keep our most vulnerable patients safe. All of these improvements and plans will help to drive the quality of our care in the coming years.

This report contains many more 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 and there are no concerns regarding the quality of relevant health services that we provide or sub-contract.



Kathryn Thomson  
Chief Executive  
29 May 2018

## The History of LWH

From the middle of the 18th century, Liverpool has been unique in having a dedicated priority to the care of women and babies.

**1796** - A group of public spirited Liverpool ladies set up the Ladies' Charity to provide medical care and assistance with childbirth to "reputable married women and widows resident in the town." This early example of specialisation did not operate in a hospital but took doctor and midwife services to patients' homes. It carried on its work independently for almost 90 years.

**1841** - The council opened its own Lying-in Hospital.

**1852** - The local Board of Guardians built the West Derby Union Workhouse Hospital for the sick poor of the parish – it later became Mill Road Infirmary.

**1883** - The Special Hospital for Women opened in Shaw Street as a result of the fundraising work by a committee who wanted a separate hospital for non-maternity patients.



**1884** -The Brownlow Lying-in hospital was opened as an amalgamation of the capabilities of the Ladies' Charity and original Lying-in hospital.

**1891** - The West Derby Union Workhouse Hospital became Mill Road Infirmary and operated as a general hospital for around fifty years.

**1895** - Interest in specialist treatment for women was clearly growing in Liverpool at the turn of the twentieth century and hence another

hospital, the Samaritan Hospital for Women, opened in Upper Warwick Street.

**1900** - The Samaritan Hospital for Women moved to Upper Parliament Street.



**1926** - The Liverpool Maternity Hospital opened on Oxford Street as the largest voluntary maternity hospital in Britain and as an evolution of the Brownlow Lying-in Hospital to meet the demands of a growing city.

**1932** - The Duchess of York opened the new building of The Women's Hospital (formerly known as the Liverpool and Samaritan Hospital for Women) on Catharine Street. The new building housed the amalgamation of the Shaw Street's Special Hospital for Women and the Samaritan Hospital for Women based in Upper Parliament Street.



**1947**- As a result of Mill Road Infirmary being badly bombed during the Second World War,



patients were transferred from the damaged building to Broadgreen Hospital. What was left of Mill Road Hospital after it was bombed during the Second World War was restored and upgraded as a specialist gynaecology and obstetrics hospital rather than a general infirmary.



**1985** - Administration of the three hospitals, Mill Road, The Women's Hospital and Liverpool Maternity Hospital was assumed by the Liverpool Obstetrics and Gynaecology Unit.



**1992** - The Liverpool Obstetrics and Gynaecology Unit became an NHS Trust

**1994** - The Liverpool Obstetrics and Gynaecology Unit became known as Liverpool Women's Hospital NHS Trust.

**1995** - Liverpool Women's Hospital NHS Trust main services for women and babies in Liverpool came together under one roof at the Trust's new £30 million hospital on Crown Street.



**2000** - The Liverpool Women's Hospital NHS Trust took over the Aintree Centre for Women's Health, providing services to the women of north Liverpool, Sefton and Knowsley and in so doing became the largest women's hospital in Europe.

**2005** - Liverpool Women's NHS Foundation Trust was founded on 1st April 2005 under the Health and Social Care (Community Standards) Act 2003. It was the first trust in Merseyside to achieve Foundation Trust status.



**2010** - Liverpool Women's opened its extended and fully refurbished [Reproductive Medicine Unit](#) making one of the most up to date and state of the art facilities in Europe. The unit can accommodate up to 2,500 couples who may require IVF or other assisted conception treatments and hosts an NHS sperm bank and an embryology laboratory that is able to offer treatment to viral discordant couples.



## 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 2017-18 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.

Key

Level 1 – Process in place (amber)

Level 2 – Improvement in performance (blue)

Level 3 – Target Achieved (green)

Quality and Safety Improvement Priority	Target	Status
<b>Reducing Avoidable Harm (Safety)</b>	Zero never events	Level 1
	Reduce medication incidents resulting in harm	Level 3
	100% sepsis screening	Level 3
	Reduce avoidable admissions	Level 1
	Reduce avoidable returns to theatre	Level 2
	Reduce avoidable term neonatal admissions	Level 3
<b>Reducing Mortality - Achieve the best clinical outcome (Effectiveness)</b>	Zero maternal deaths	Level 3
	Zero unexpected deaths in women having gynaecological treatment	Level 3
	Reduce avoidable stillbirth	Level 3
	Reduce avoidable neonatal deaths	Level 3
	Increase compliance with NICE Quality Standards	Level 3
<b>Providing the Best Patient Experience (Experience)</b>	Increase the percentage of staff recommending the Trust as a place to work	Level 2
	Increase the Trust's staff engagement score	Level 2
	Reduce PALS contacts regarding patient access to triage systems	Level 1
	Health & Wellbeing; to improve staff health and wellbeing	Level 3

## Reduce Avoidable 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  
Safety**

Reduce medication incidents resulting in harm  
**Level 3 – Target Achieved**

**What we said  
we'd do**

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 and reported to Safety Senate.

**What the  
data shows**

550 medication-related incidents were reported by the Trust in 2017/18. This represented a 25% decrease on 735, reported in 2016/17. Of the 550 reports submitted in 2017/18, 45 were recorded as near-misses, 423 caused no harm and 82 were recorded as causing low harm. The Trust reported no medication related incidents as causing moderate or severe harm during this period, reflecting the position achieved in 2016/17.

The number of incidents recorded as causing low harm increased, in both number and proportion of incidents reported, compared with 2016/17, when 66 incidents were recorded as causing low harm. Whilst this appears to suggest an increase in the number of incidents causing low harm, it is likely to be a reflection of a change in practice in assigning actual impact ratings to medication incidents. Low harm medication incidents are defined as 'any medication incident that required extra observation or minor treatment', even if the outcome of the monitoring was normal and there was no actual adverse effect caused by the incident.

Data Source: Ulysses Risk Management System

**What  
happens  
next?**

Individual service areas are responsible for managing medication related incidents, with support as required from the governance and pharmacy departments. The Trust's Medicines Management Committee has oversight of medication related incidents, receiving quarterly Trust-wide medication related incident occurrence data to identify trends.

To improve oversight and organisational learning, the Medicines Management Committee has introduced a requirement for individual service areas to present bi-annual reports regarding their medication safety programme to increase assurance that key lessons learned from incidents are being disseminated and actioned across the area and wider Trust. The Committee will continue to work to embed this new reporting schedule into practice.

In the coming year, the Medicines Management Committee will relaunch the Trust's Management of Medication-related Clinical Incidents or Near-miss policy and work is underway to review the delivery of medicines management training to clinical staff, to provide a greater focus on medication safety and reporting. The Medicines Management Committee is a reporting group of the Trust's Safety Senate and has executive support from the Medical Director to enable it to deliver its work plan.



**Our Priority  
Safety**

**100% Sepsis Screening**  
**Level 3 – Target Achieved**

**What we said  
we'd do**

The Trust takes extremely seriously its duty to recognise and treat sepsis in a prompt and appropriate manner. Quarterly reports are prepared to check compliance with this target.

**What the data  
shows**

These data demonstrate that for all patients presenting to the Emergency room with suspected sepsis, and all hospital in-patients who developed symptoms, screening was undertaken in an appropriate manner.

There are traditionally low numbers of patients seen and treated at Liverpool Women's Hospital suffering or showing symptoms of Sepsis. However these low numbers can impact on our performance by skewing the figures when benchmarking or comparing with our comparative hospital groups and peers. In all but two cases potentially lifesaving antibiotic therapy was administered within one hour in compliance with National Guidelines.

Sepsis Identification and treatment	2016/17	2017/18
Timely identification of Sepsis in ED	100%	100%
Timely treatment of Sepsis in ED	20%	93%
Timely Identification of Sepsis in Inpatients	100%	100%
Timely Treatment of Sepsis in Inpatients	100%	100%

Data Source: LWH IT Performance Team

**What happens  
next?**

The Trust has appointed a Consultant Anaesthetist as the Trust Sepsis Lead. Sepsis, its recognition and treatment will be a standing agenda item at quarterly Critical Care Meeting (CCM) meetings. A rolling monthly audit on sepsis will take place which will eventually form the main quarterly report after review at the CCM.

Education on the importance of prompt recognition and management for new medical staff commencing in the Trust will continue. Sepsis awareness week and regular updates. Streamlining data collection process and analysis.

**Our Priority  
Safety**

**Reduce avoidable readmissions**  
**Level 1 – Process in place**

**What we said  
we'd do**

Planning patient discharges as early as possible and ensuring clear discharge plans are in place leads to safer care. Targeted clinical audits to understand patient flow will be in place and reported to Safety Senate.

**What the data  
shows**

The ward redesign, key staffing changes and a delay with the implementation of a new PAS system for patient records has led to delays in progress in development of Criteria Led Discharge within Gynaecology.

Discharge plans are in place and pathways for Supported Early Discharge are in place, however this is not across all patients.

Expected Discharge Dates (EDD) on admission have and are being developed and implemented however analysis of the data shows that compliance is patchy and inconsistent.

Data table demonstrating the reduction in Readmission and Returns to theatres in 2017-18

	Target	Apr 17	May 17	Jun 17	July 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18
Readmissions within 30 days	TBC	2.1%	3.9%	3.3%	2.1%	0.7%	1.4%	1.5%	1.5%	1.3%	1.7%	1.8%
Returns to Theatre	<=0.7%	0.0%	0.99%	0.41%	0.88%	0.59%	0.30%	0.42%	0.62%	0.50%	0.44%	0.48%

Data Source: LWH IT Performance Team

**What happens  
next?**

Development of pathways and criteria for Criteria Led Discharge (CLD) is being undertaken as a clinical priority in Quarter 1 and 2 with the expectation of full implementation of EDD and CLD in Quarter 3 and 4.

The new PAS system will support this work and is being built into the admissions process for Gynaecology.

This project is in the Nursing Plan for 2018/19 and is under the direction of a Matron and supported by the Practice Educator for Gynaecology and is a high priority for completion before September 2018.

**Our Priority  
Safety**

**Reduce avoidable returns to theatre  
Level 2 – Improvement in performance**

**What we said  
we'd do**

Monitoring and understanding why patients are returned to theatre unexpectedly including analysing variation as part of the revalidation process. Conducting root cause analysis and learning from these investigations will be reported to Safety Senate.

**What the  
data shows**

Looking at the details of the 27 cases returned to theatre, 10/27 cases related to miscarriage and surgical evacuation of uterus and 4 after surgical termination of pregnancy (TOP).

The rest of 13/27 cases indication vary either due to bleeding after major or laparoscopic surgery, 1/13 after loop excision and 1/27 after drainage of tubo-ovarian abscess deteriorated and required laparotomy.

The percentage of returns over the reporting year to theatre of gynaecological surgical procedures performed in theatres including incomplete surgical evacuation of uterus after miscarriage or termination of pregnancy (which might occur up to 4 weeks from original surgical evacuation procedure) is 28/5469 (5469 is the overall gynaecological/ surgical procedures in the reporting year) this is equivalent to 0.51% of all gynaecological procedures.

**Gynaecology returns to theatre 2017-18**

Month	Gynaecology
Apr-17	0
May-17	4
Jun-17	3
Jul-17	4
Aug-17	5
Sep-17	0
Oct-17	2
Nov-17	5
Dec-17	1
Jan-18	0
Feb-18	3
Mar-18	1
<b>Grand Total</b>	<b>28</b>

Data Source: LWH IT Performance Team

**What  
happens  
next?**

Following an analysis of the detailed information in relation to each return to theatre, are reviewed and reported individually via the Ulysses Risk Management Database. There will be ongoing monitoring of returns to theatre via monthly performance dashboard, scrutiny and overview at Genealogical Divisional monthly meetings.

**Our Priority**  
**Safety**

**Reduce avoidable term neonatal admissions**  
**Level 3 – Target Achieved**

**What we said**  
**we'd do**

A key aim of the Trust and its staff is the safety and welfare of our patients. Minimising term admissions reduces potentially avoidable separation of mothers and babies, reduces unnecessary investigation and treatment and allows better utilisation of resources in the neonatal unit, means that mothers and babies are cared for together whenever possible and is a national priority area.

Reduce harm from avoidable admissions to the neonatal unit in infants born at term ( $\geq 37$  weeks' gestation). A multidisciplinary clinical team from Maternity and Neonatal Services will review all admitted term babies on a case-by-case basis and decide whether or not their admission could have been prevented.

We will identify any learning opportunities and put actions in place to minimise the number of unnecessary admissions. We will monitor the frequency of such admissions and aim to reduce their occurrence.

**What the**  
**data shows**

This table shows the number of babies admitted at term whose admission was deemed to be 'potentially avoidable' halved from 70 in 2016/17 to 35 in 2017/18. This represents a reduction in the proportion of potentially avoidable admissions from 16% to 9% in this 12-month period. Our rates compare very favourably with the national benchmark for avoidable term admission figure of 30%.

**16%**

2016/17

**9%**

2017/18



**30%**

National Benchmark

We have made changes to our neonatal admission policy and implemented changes to current clinical guidelines.

Data Source: Neonatal Admissions Database

**What**  
**happens**  
**next?**

We will continue to monitor our overall term admission rates as well as those considered potentially avoidable.

We will introduce changes to our care delivery systems to support midwives looking after babies in the postnatal areas with an advance neonatal nurse practitioner led in-reach service.

We will review our neonatal unit admission criteria to allow more babies to be cared for in the postnatal wards, thus preventing unnecessary separation of mother and baby.

## Reducing Mortality

This section of the report considers how the Trust seeks to “achieve the best clinical outcomes”, ensuring the effectiveness of our services 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 and improve best clinical outcomes 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 Women’s since maternal deaths, stillbirths and neonatal deaths are all excluded.

**Our Priority Effectiveness**      **Zero Direct Maternal Deaths**  
**Level 3 – Target Achieved**

### What we said we’d do

A direct maternal death is one which is directly related to a complication of pregnancy (such as haemorrhage, pre-eclampsia or sepsis). We said we would keep this at zero level.

An adult mortality strategy was written and implemented in April 2017. The strategy prioritises up to date guidelines and benchmarking in order to reduce the risk of adult mortality.

A new process for reviewing all adult deaths, using an Adult Mortality Audit sheet which complies with recognised and validated methodology detailed in PRISM studies has been implemented on Ulysses. (National Guidance on Learning from Deaths. National Quality Board (2017) Available at [www.england.nhs.uk](http://www.england.nhs.uk)) (Learning Disabilities Mortality Review (LeDeR) Programme (2017) Available at [www.bristol.ac.uk/sps/leder](http://www.bristol.ac.uk/sps/leder))

The Board of Directors approved this Adult Mortality Strategy, which relates to adult disease across the specialties of obstetrics and gynaecology.

**What the data shows** No direct maternal deaths were recorded in 2017-18.

As well as assessing each individual case very closely, the Trust benchmarks using figures provided from MBRRACE-UK. The latest available MBRRACE-UK data shows a national rate of 3.46 direct maternal deaths per 100,000 of the population.

Direct Maternal Deaths					
2015-16	0	2016-17	0	2017-18	0

Data Source: Hospital Episode Submission Data (HES)

**What happens next?** 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 through the Trust's Quality Committee and ultimately the Board having an overview.

The Trust also works with the Merseyside and Cheshire strategic clinical network to develop regional guidelines for the management of severe pre-eclampsia and other pregnancy related conditions that can contribute to mortality.

**Our Priority Effectiveness**

**Zero unexpected deaths in women having gynaecological treatment**  
**Level 3 – Target Achieved**

**What we said we'd do**

An unexpected death is one which is not related to an end of life condition or which occurs as a result of treatment received.

We measure using HES data and report mortality rates to the Quality Committee.

How we help and deal with our patients who have serious or terminal diseases is 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 monitor deaths to ensure there are no non-cancer related deaths. An end of life care pathway audit was presented to the Board in February 2018.

### What the data shows

There was 1 expected oncology in hospital death in Gynaecology in 2017-18.

Data Source: Hospital Episode Submission Data (HES)

### What happens next?

All deaths within the hospital, whether cancer-related or not, are reviewed using the adult mortality tool to ensure the appropriate action was taken (see maternal death section above). The Trust benchmarks its mortality data against peer Trusts using the 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 Quality Committee and ultimately the Board have an overview of the delivery of this work. The Trust published an Adult Mortality Strategy in 2017.

This priority will continue to be reported in the Quality Report but will be reported under the redefined priority of Adult Mortality.

### Our Priority Effectiveness

**Reduce avoidable still birth**  
**Level 3 – Target Achieved**

### What we said we'd do

We said we would reduce stillbirths due to small for gestational age babies by 20% from the 2013 rate of 42.5%.

### What the data shows

In 2013 (calendar year) nearly half the non-fetal abnormality stillbirths were due to small for gestational age babies. Due to the efforts of the Stillbirth Task Force in increasing the awareness of reduced fetal movements, introduction of better pathways for detection of growth and induction for these indications, the Trust has achieved a year on year reduction in stillbirths due to small for gestational age babies from 32.5% in 2014/15 to 16% in 2016/17.

**Small for gestational age 2014/15**      **32.5%**

**Small for gestational age 2016/17**      **16%**



Data Source: Perinatal Institute Growth Analysis Programme.

### What happens next?

Reduced fetal movement and detection of small for gestational age babies is part of the national Saving Babies Lives Care Bundle which the Trust is compliant with. The other two elements are smoking cessation and intrapartum monitoring of the fetal heart.

The Trust's next priority is to achieve full compliance with Carbon Monoxide monitoring at booking and training in intrapartum surveillance full compliance / timescales). Trajectories for achieving these will be set.

**Our Priority Effectiveness**

**To deliver our risk adjusted neonatal mortality within 1% of the national Neonatal Mortality Rate**  
**Level 3 – Target Achieved**

**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 (<28 days). 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.

We benchmark our mortality against the national NMR published from the Office of National Statistics, having committed to remaining within 1% of the NMR and reported to Effectiveness Senate. Furthermore, we benchmark against mortality data from VON (Vermont-Oxford Network), a collaborative network of neonatal care providers both nationally and internationally, which is committed to improving the quality of newborn infant care.

**What the data shows**

The latest available data (2016) from the VON network, for all infants <1500g, born in Liverpool Women's Hospital shows the mortality rate was 17%, this falls within the accepted range for VON centres in the UK of 7-18%.

Most recent data on NNMR from the Office of National Statistics is 2.7/1000 live births, for all babies booked and delivered at LWH in 2017 our rate equals the NNMR at 2.7/1000 live births, if we include babies born in LWH following ante-natal transfer for specialist care the mortality rate is 3.6/1000 live births, which is still within 1% of the NNMR.

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

**What happens next?**

The Trust will continue to benchmark against national data from the Office of National Statistics and annual data from Vermont-Oxford Network.

We will be introducing the national perinatal mortality review tool, with external representation and parental engagement, to ensure a high quality review process with a focus on learning, reporting and action to improve future care.

**Our Priority Effectiveness**

**Increase compliance with NICE Quality Standards**  
**Level 3 – Target Achieved**



## What we said we'd do

Demonstrate compliance with evidenced based practice and aim to be in the top performing 20% of trusts for anticipated critical outcomes by:

- Agreeing implementation plans for NICE Quality Standards in each division.
- Auditing compliance.
- Identifying a suite of clinical indicators for each division, establishing baseline data.
- Developing and implementing improvement plans for clinical indicators that fall outside the top 20% against appropriate peers.
- Increasing oversight of delivery via the Effectiveness Senate and Governance and Clinical Assurance Committee (now Quality Committee).

## What the data shows

The data shows that:

- Implementation plans for all relevant NICE Quality Standards in each division are agreed and recorded monthly.
- All NICE Quality Standards released in 2017-18 have been considered for applicability to the Trust and where applicable, allocated appropriately.
- NICE Quality Standards which are recorded as being 'fully implemented / compliant' are considered for inclusion in the Annual Clinical Audit Forward Plan.
- In order to increase oversight of delivery of the Quality Standards, this is reported monthly to the Information Team via the Governance Databook and quarterly at both the Effectiveness Senate and the Quality Committee.
- Of the 7 NICE Quality Standards deemed applicable, 6 (86%) have a completed baseline assessment and 1 (14%) has an assessment in progress. 5 (71%) of which we are fully compliant with requirements and 2 (29%) with actions in progress to either establish or improve compliance.

Guidance ID	Guidance Title	Baseline Assessment complete Y/N	Guidance Status
QS144	Care of dying adults in the last days of life	Y	Fully implemented / compliant
QS147	Healthy workplaces: improving employee mental and physical health and wellbeing	Y	Fully implemented / compliant
QS160	<a href="#">End of life care for infants, children and young people</a>	Y	Fully implemented / compliant
QS161	<a href="#">Sepsis</a>	Y	Actions in progress to become fully compliant
QS36 (updated from July 2013)	<a href="#">Urinary tract infection in children and young people</a>	Y	Fully implemented / compliant
QS162	Cerebral Palsy in children and young people	Y	Fully implemented / compliant
QS163	Mental health of adults in contact with the criminal justice system	N	Awaiting baseline assessment

Data Source: NICE National Quality Standards

**What happens next?** To continue with current processes and encourage audit of implemented Quality Standards.

## 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 Experience** Increase the percentage of staff recommending the Trust as a place to work  
Level 2 – Improvement in performance

**What we said we'd do** Aim to increase the number of staff who would recommend the Trust as a place to work and increase overall levels of engagement as measured by the Staff Survey.

This includes taking actions around leadership training, providing managers with core skills, improving internal communications, ensuring staff can contribute to quality improvement and review reward and recognition structures.

**What the data shows** Overall, the data shows a trend of stability rather than progress. However in the local context of change and the fact that the national picture is one of a downward trend, this stability can be viewed positively.

### LWH Staff Survey Results

#### Would you recommend as a place to work or have treatment? (Staff Survey)

2016	2017
58%	60%

#### Overall engagement score (Staff Survey- out of a maximum of 5)

2016	2017
3.77	3.8

Data Source: NHS Staff Survey (Picker Institute)

**What happens next?**

We will ensure that themes raised in the staff survey are captured through the refresh of the Putting People First Strategy 2018-2021. A range of stakeholder groups are being engaged in developing this strategy and setting key people priorities for the next 3 years.

We have also commenced quarterly 'listening events' which give a multidisciplinary range of staff the opportunity to contribute and put forward ideas for improvement. A staff survey action plan for 18/19 is currently in development.

**Our Priority Experience**

**Increase the Trust's staff engagement score**  
**Level 2 – Improvement in performance**

**What we said we'd do**

There are well evidenced links between staff engagement and good outcomes for patients. By supporting our staff to develop, listening to their feedback and involving them in decision –making we aim to improve both staff and patient experience. It is measured via the engagement score in the annual staff survey and reported to Experience Senate.

**What the data shows**

Although the increase in performance is small, it is positive when measured against a national overall downward trend. The average for acute specialist Trusts is 3.95 and the average for acute Trusts is 3.79 and we would aim to always exceed this.

**3.77%**  
**2016-17**

**3.80%**  
**2017-18**



Data Source: NHS Staff Survey

**What happens next?**

Actions will be taken as outlined in the 'recommend as a place to work' priority.

Specific areas of focus include: continued investment in leadership training, improving quality of Personal Development Reviews (PDRs) and objectives, systematic multidisciplinary workforce planning, improved local communications and staff involvement processes.

## Our Priority Experience

We will promote a positive experience that allows the trust to deliver a high quality carer and family experience

Level 1 – Process in place

## What we said we'd do

Respond to themes from PALS, Complaints and Feedback and surveys. This will begin with improving patient access to telephone triage systems and will be reported to Experience Senate.

## What the data shows

The data shows that 5.5% of the PALS contacts for 2017/18 were in relation to telephone calls not being answered in the Trust. This is up from 3.7% in 2016/17. This increase is a direct result of more comprehensive recording of all telephone contact concerns raised.

It has been identified that whilst the scores for the Friends and Family test are generally good, the response rate requires improvement to ensure we are getting a true reflection of the experience of our patients. We have renewed the messages and instructions about the feedback card collection method to ensure all areas understand their responsibilities within this process.

To support this main collection method we have also provided a basic web page based version of the policy which patients can use externally. We are currently working on an updated version of this which will allow staff and volunteers to take these surveys electronically directly from the patients whilst they are at the Hospital.

These responses will automatically feed directly into the Trust results, giving us more timely performance indicators than the current card method, which has a time delay whilst they are being returned, collected and manually entered. Once this is completed the next stage is to provide a web link to patients via text message prompt to capture a wider audience and improve the response rates.

3.7%

2016-17

5.5%

2017-18



Increases are a direct result of changes to a more comprehensive recording of all telephone contact concerns raised by patients.

Data Source: Ulysses Risk Management System

## What happens next?

A review is already underway with the CCG in relation to the specific telephone issues identified in relation to the Gynaecology Emergency Department. A new call management software system called Netcall has been purchased and will be implemented to address some of the identified issues causing patient dissatisfaction. The progress of these actions will continue to be monitored via the patient experience senate.

**Our Priority  
Experience**

**Health & Wellbeing; to improve staff health and wellbeing (HWB)**  
**Level 3 – Target Achieved**

**What we said  
we'd do**

We will strive to create a workforce that is aware of and takes ownership of how to maintain its physical and psychological welfare. This includes a culture in which leadership is focussed on the wellbeing of its staff. There will be a range of accessible and utilised facilities, information and resources to support individuals and leaders to maintain a culture of wellbeing.

Positive Actions: -

- Pamper days: a free service to staff also providing valuable experience to local apprentices. Where possible, the apprentices visit clinical areas monthly.
- Lunch time walks
- Yoga and Zumba
- Monthly HWB Newsletter
- Amazon lockers
- Mersey Tunnel Visits
- Quiz Nights
- Coffee Buddies
- HWB page on Intranet
- Table Tennis
- Wellbeing Interactive Zone
- Lunch time runs
- 3 Peak Challenge
- Commenced training for Mental Health First Aiders
- HWB Extravaganzas
- Workplace Wellbeing Charter
- HWB Website – links to Counselling, Physio, OH, current and up-coming events
- PDR Paperwork modified to address HWB conversation
- Leadership programme includes aims to link HWB to leadership
- Survey during HWB extravaganza which was used to inform HWB work plan for 2017-18
- Placed suggestions/feedback flipcharts in clinical area's

### What the data shows

Staff Survey results over the last 3 years for health and wellbeing demonstrate a slight improvement in reports of musculoskeletal injuries, but slight deterioration in scores for experiencing stress at work and the organisation taking positive action of HWB. The scores are self-assessment and reflect people's perception.

Staff may experience muscular skeletal (MSK) injuries and visit their GP but may not take time off work, or report the injury. Similarly, people may experience pressure or stress without either reporting this to the managers or taking sick leave.

At the time of the survey many of the initiatives were new to the organisation. Over the coming year we hope to raise awareness of the availability of support to encourage staff to address health and wellbeing issues.

### LWH Staff Survey Health & Well Being Results

	2017 LW Result	2017 Acute specialist Trust median	2017 Acute Trust median
9a % of staff stating that they believe LWH takes Health & wellbeing seriously	28% ↓	36%	32%
9b % of staff stating they suffered from MSK injuries in the last year	17% ↑	22%	26%
9c % of staff experiencing work related stress in the last year	32% =	35%	36%

Data Source: NHS Staff Survey

### What happens next?

Our focus, in addition to continuing our current range of activities will be to enhance the HWB element of PDR discussion which we will highlight in training and through a webinar to ensure managers share relevant information and address specific issues.

To support mental wellbeing, we aim to train 10% of the workforce as mental health first aiders, and we make the link between health and wellbeing and good leadership more explicit in our Leadership programme. The current HWB Plan runs until June 2018.

A further HWB Extravaganza is planned for June 2018 where we will survey staff regarding the offer from this year and what they would like to see next year.

## Learning from Deaths

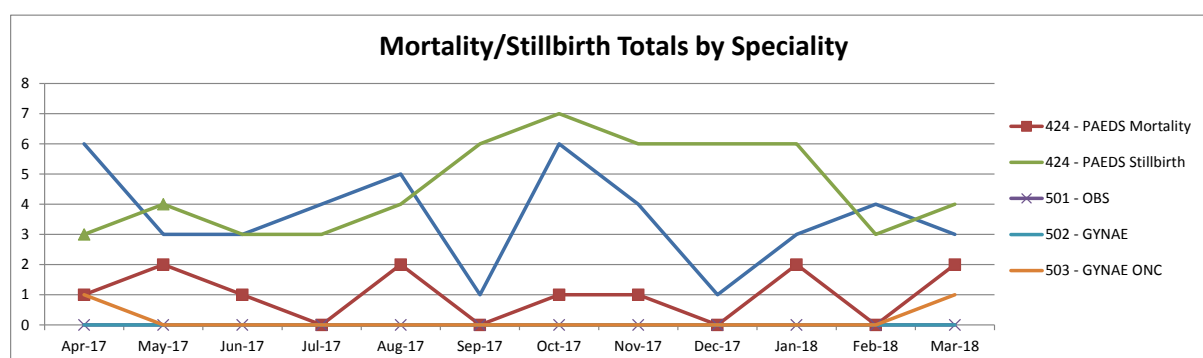
The following section of the report is new for the 2017/18 Quality Account and provides information as to how the trust is learning from deaths.

The use of a method of Hospital Standardised Mortality Rate such as SHMI 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 Board and we have committed to monitoring our mortality by focussing on each clinical area separately and using crude mortality data.

We 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.

The Trust seeks to “achieve the best clinical outcomes”, ensuring the effectiveness of our services 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 and improve best clinical outcomes wherever possible

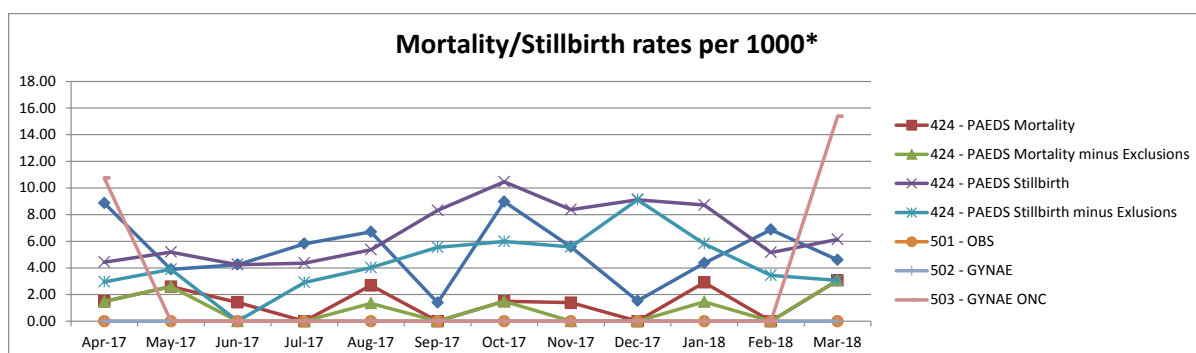


	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	TOTAL
422 - NICU	6	3	3	4	5	1	6	4	1	3	4	3	43
424 - PAEDS Mortality	1	2	1	0	2	0	1	1	0	2	0	2	12
424 - PAEDS Stillbirth	3	4	3	3	4	6	7	6	6	6	3	4	55
501 - OBS	0	0	0	0	0	0	0	0	0	0	0	0	0
502 - GYNAE	0	0	0	0	0	0	0	0	0	0	0	0	0
503 - GYNAE ONC	1	0	0	0	0	0	0	0	0	0	0	1	2

There have been two adult gynaecology oncology deaths during the reporting period and these patients were on palliative care pathways and their deaths were expected. All adult gynaecology deaths are discussed at the gynaecology Morbidity & Mortality meeting. As part of this process an adult mortality sheet is completed indicating any potential for improvement in care. Unexpected adult gynaecology deaths trigger a serious incident investigation.

The Trust has had no direct maternal death and if any were to occur this would trigger a serious incident investigation.

All deaths which occur on the neonatal unit are reviewed as part of a well-established robust Morbidity and Mortality review process, which occurs every 2 weeks. The unit deaths with not only local babies but also receives babies from around the north-west region and outside the region if required. The deaths on the unit relate to the complexity and the severity of condition of the babies who are admitted to and cared for on the neonatal unit.



	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	TOTAL
422 - NICU	8.86	3.89	4.24	5.81	6.70	1.39	8.97	5.58	1.52	4.36	6.87	4.60	62.80
424 - PAEDS Mortality	1.48	2.59	1.41	0.00	2.68	0.00	1.49	1.39	0.00	2.91	0.00	3.07	17.03
424 - PAEDS Mortality minus Exclusions	1.48	2.59	0.00	0.00	1.34	0.00	1.49	0.00	0.00	1.45	0.00	3.07	11.43
424 - PAEDS Stillbirth	4.43	5.19	4.24	4.36	5.36	8.31	10.46	8.37	9.12	8.72	5.15	6.13	79.86
424 - PAEDS Stillbirth minus Exclusions	2.95	3.89	0.00	2.91	4.02	5.54	5.98	5.58	9.12	5.81	3.44	3.07	52.31
501 - OBS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502 - GYNAE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
503 - GYNAE Onc	10.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.38	26.14

\* PAEDS and NICU measured against Deliveries. Remaining specialties are measured against total discharges.

The table above shows the rate adult mortality rate per 1000\* of the population, overall for the year for Gynaecology Oncology it is 26 per 1000\* of the population.

The below table provides an overview of all reviews or investigations conducted for each adult and perinatal deaths within LWH. The quarterly percentage includes both adult and perinatal deaths, in total there were 117 deaths, of this 2 were expected gynaecological oncology patients on a palliative care pathway and the remaining 115 deaths were infants who died as a result of their severity and/or complexity of their clinical condition.

Overall deaths (adult and paediatric deaths)	%
Estimate of number of deaths during reporting period April 2017 – March 2018 for which case review or investigation has been carried out, that were likely to have been due to problems in care given to patients	100%
Number of the patient deaths during the reporting period April 2017 – March 2018 are judged to be more likely than not to have been due to problems in the care provided to the patient	0%
Number of overall deaths as a percentage in Q1	24%
Number of overall deaths as a percentage in Q2	22%
Number of overall deaths as a percentage in Q3	29%
Number of overall deaths as a percentage in Q4	25%
A revised estimate of the number of deaths during the previous reporting period taking into account the deaths judged to be more likely than not to have been due to problems in the care provided to the patient.	0%



## Priorities for Improvement in 2018-19

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 2017-18; 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 as well as by the Trust. This includes patients, their families, the wider public, our staff and commissioners. We have held listening events and engagement sessions to allow all our stakeholders the opportunity to assist in choosing this year's priorities. 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

### Reduce Avoidable Harm

Core Principle: Safety

Improvement Priority	Why is this important, how is it measured and where will it be reported
Zero never events	<p>A 'Never Event' is an event which has been identified by NHS Improvement that should never occur during a patient's care. There are currently 16 listed in national guidance.</p> <p>The Trust takes extremely seriously its duty to prevent harm and provide care in a safe environment. This will be monitored via our Ulysses incident reporting system and reported to Safety Senate.</p>
Reduce medication incidents resulting in harm	<p>Where a medication incident results in harm for the patient, this may have a significant not only from that medication but on their overall condition. Therefore medication incidents are a serious issue which the Trust is working to reduce and ensure safe care.</p> <p>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 and reported to Safety Senate.</p>

100% sepsis screening	<p>The Trust takes extremely seriously its duty to prevent infection and provide care in a safe environment.</p> <p>The early identification of Sepsis is a priority as this will affect the outcome for the patient. The Trust is working to ensure that the 100% screening target is met and maintained. This will be measured using data from the Infection Control Department and reported to Safety Senate.</p>
Reduce avoidable readmissions	<p>Readmission is not a good experience for the patient or for the Trust and we are working to ensure that this does not occur. Planning patient discharges as early as possible and ensuring clear discharge plans are in place leads to safer care. Targeted clinical audits to understand patient flow are in place and reported to Safety Senate.</p>
Reduce avoidable returns to theatre	<p>There are a number of reasons why a patient may need to return to Theatre. The Trust is working to understand the issues when this occurs and ensure that avoidable return to theatre is reduced. By monitoring each reason for return to theatre, we are working to understand why patients are returned to theatre unexpectedly including analysing variation as part of the revalidation process. Conducting root cause analysis and learning from these investigations will be reported to Safety Senate.</p>
Reduce avoidable term neonatal admissions	<p>A key aim of the Trust and its staff is the safety and welfare of our patients. Minimising term admissions reduces potentially avoidable separation of mothers and babies, reduces unnecessary investigation and treatment and allows better utilisation of resources in the neonatal unit. This will be monitored using routinely collected hospital activity data and the neonatal admissions database and reported to Safety Senate.</p>

## Achieve the best clinical outcomes

Core Principle: Effectiveness

Improvement Priority	Why is this important, how is it measured and where will it be reported
Zero maternal deaths	A key aim of the Trust and its staff is the safety and welfare of our patients. Mortality data is crucial for all hospitals in identifying shortcomings in care and learning lesson to improve safety and quality of the patient experience. This will be measured using HES data and reported to Effectiveness Senate.
Zero unexpected deaths in women having gynaecological treatment	A key aim of the Trust and its staff is the safety and welfare of our patients. Mortality data is crucial for all hospitals in identifying shortcomings in care and learning lessons to improve safety and quality of the patient experience. This will be measured using HES data and reported to Effectiveness Senate.
Reduce avoidable stillbirth	The safe delivery of all babies is the goal of our midwifery service and the Trust. Our aim is to ensure that the service we provide is to a high quality and safe. Stillbirth is potentially preventable through early intervention and learning lessons from times when it has gone wrong. This priority will be measured using HES data and reported to Effectiveness Senate.
Reduce avoidable neonatal deaths	Neonates are some of the Trust most vulnerable patients. They can have multiple issues which mean that they may not survive. Our aim is to ensure the quality of care we provide is of the highest level, it will be monitored using local data along with information from the Office of National Statistics and reported to Effectiveness Senate.
Increase compliance with NICE Quality Standards	NICE Quality Standards are nationally set and benchmarked to ensure that they are recommending the highest level of quality to strive for. It is always the aim of the trust and its staff to provide the best care and be the best service that we can be. Through reviewing and implementing NICE Quality Standards we can work towards being the best service. We will monitor compliance with quality standards helps ensure the trust is working to best practice. This will be measured using information from the Clinical Audit team and reported to Effectiveness Senate.

## Provide the Best Patient Experience

Core Principle: Experience

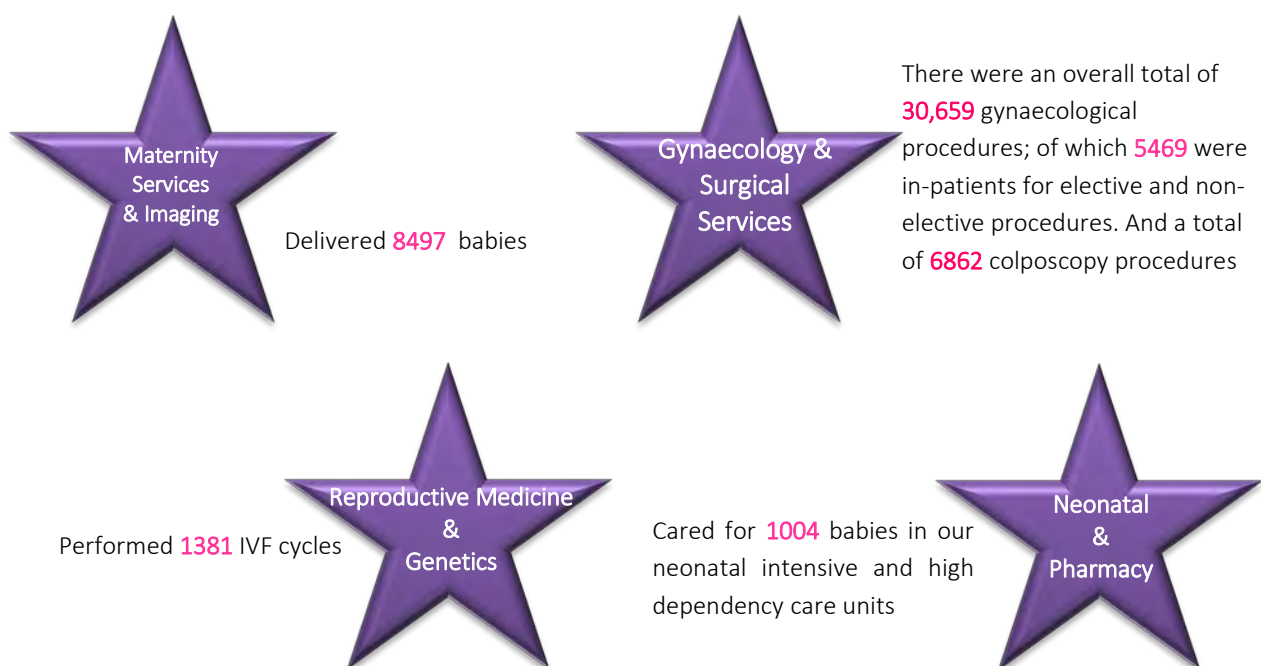
Improvement Priority	Why is this important, how is it measured and where will it be reported
Increase the percentage of staff recommending the Trust as a place to work	We want all patients to have a good experience with the care they have received whilst at LWH. Listening to feedback helps us respond 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 and reported to Experience Senate.
Increase the Trust's staff engagement score	There are well evidenced links between staff engagement and good outcomes for patients. By supporting our staff to develop, listening to their feedback and involving them in decision –making we aim to improve both staff and patient experience. It is measured via the engagement score in the annual staff survey and reported to Experience Senate.
Reduce PALS contacts regarding patient access to triage systems	The PALS service role is to support patients when they have a concern or a complaint about their care, a service or the Trust. These are dealt with on an individual basis until the patient is satisfied. As part of the wider process we look to identify if there are any themes to the issues being shared by patients and if so what can we learn and how can we improve. We will work to respond to themes from PALS, Complaints, and Feedback & Surveys. In March 2018 the Trust has implemented a new Patient Experience Strategy to support this process. This will report to Experience Senate.
Health & Wellbeing; to improve staff health and wellbeing	We will strive to create a workforce that is aware of and takes ownership of how to maintain its physical and psychological welfare. This includes a culture in which leadership is focussed on the wellbeing of its staff. There will be a range of accessible and utilised facilities, information and resources to support individuals and leaders to maintain a culture of wellbeing.

## 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 2017-18 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 2016-17 represents 100% of the total income generated from the provision of relevant health services by the Liverpool Women's NHS Foundation Trust for 2017-18.

### Participation in Clinical Audit

During 2017-18 5 national clinical audits and 2 national confidential enquiries covered relevant health services that Liverpool Women's NHS Foundation Trust provides. During 2017-18 Liverpool Women's NHS Foundation Trust participated in 100% of national clinical audits and 100% of 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 2017-18 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 2017-18, are listed below alongside the 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 – Transfusion Associated Circulatory Overload (TACO)	✓	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Perinatal Mortality	✓	100%
National Pregnancy in Diabetes Audit (NPID)	✓	80%
National Maternity and Perinatal Audit (NMPA)	✓	100%

Relevant National Confidential Enquiries	Did the Trust participate?	Cases Submitted
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Maternal Deaths	✓	100%
Perioperative Diabetes – (NCEPOD)	✓	Study still open and figures have not been finalised

The reports of 5 national clinical audits were reviewed by the provider in 2017-18 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)	<ul style="list-style-type: none"> <li>To improve parent documentation for babies admitted to Neonatal Intensive Care Unit (NICU), all the admissions to NICU in the preceding 24 hours are highlighted during morning huddle to check if parent communication is documented or to allocate the responsibility for communication and documentation.</li> <li>To improve breast feeding rate, increased utilisation of small wonders programme DVD and appointed new Healthcare assistant for breast feeding support to mother in NICU.</li> <li>A service evaluation is being undertaken to find the true incidence of bronchopulmonary dysplasia.</li> </ul>
2017 National Comparative Audit of Blood Transfusion programme)  Transfusion Associated Circulatory Overload (TACO)	<ul style="list-style-type: none"> <li>An electronic checklist is to be added to the LWH prescribing system. This will include risk of TACO, consent, target Hb and fluid balance recording.</li> <li>This change to the electronic prescribing system will ensure that only one unit of blood can be prescribed at a time, with a prompt for clinical and Hb review before prescribing of subsequent units.</li> </ul>

	<ul style="list-style-type: none"> <li>The success of this change will be monitored through an annual transfusion audit.</li> </ul>
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Perinatal Mortality	<ul style="list-style-type: none"> <li>Appropriate triaging process in Maternity Assessment Unit (MAU) has been set up to ensure that women needing urgent medical attention get the right treatment by right members of the team at the right time.</li> <li>A quarterly review of SGA (Small for Gestational Growth) detection rates has been implemented which should reduce the number of undetected SGA's.</li> <li>In order to obtain greater knowledge and awareness of how to reduce smoking in pregnancy, attendance of Public Health England's 'Stopping smoking in pregnancy to reduce infant mortality in the North West', and the public health sector has been approached to discuss implementing a strategy to reduce smoking in pregnancy.</li> <li>A new SBAR sheet has been designed to aid in achieving a smoother handover for patients.</li> </ul>
National Pregnancy in Diabetes Audit (NPID) 2017	<ul style="list-style-type: none"> <li>Awaiting National Report.</li> </ul>
National Maternity and Perinatal Audit (NMPA)	<ul style="list-style-type: none"> <li>The national report highlighted that Liverpool Women's Hospital was an outlier regarding APGAR scoring. In response to this, APGAR scores are now recorded, monitored and reported on at relevant meetings on a quarterly basis.</li> </ul>

The reports of 42 local clinical audits were reviewed by the provider in 2017-18 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.

#### **Review of Prenatal Practice Following Introduction of SBAR (Situation, Background, Assessment, Recommendation) and Weekly Update of Cases**

As a result of this audit, clearer instructions and training in relation to following the SBAR have been implemented. This should result in an improvement in the effectiveness of the Prenatal SBAR database in maintaining safe and efficient data capture, handover of care and multi-disciplinary case review of all prenatal referrals in the Clinical Genetics Department.

#### **Audit to Assess the Management of Voiding Following (Tension-free Vaginal Tape) TVT Procedure for Stress Incontinence**

As a result of this audit, the bladder care pathway was reviewed, updated and implemented with a view that this will improve the levels of patient care being provided e.g. prevent patient dissatisfaction, UTI or the need for sling revision.

### **Audit to review practice of Ovarian Hyper stimulation Syndrome (OHSS) pathways practice against RCOG guidelines**

As a result of this audit, the unit protocol on prescribing metformin was reviewed and updated and staff awareness of the Rotterdam criteria for OHSS diagnosis was raised in order to develop consistency of prescribing, improve diagnosis of OHSS and reduce the risk of developing OHSS.

### **Audit to Assess Patient's Compliance with Advice Given Regarding Pre-Operative Medicines during Pre-op Consultation at Liverpool Women's Hospital (LWH).**

Following this audit, all policies within the Trust regarding pre-op medication were reviewed and combined into one succinct policy. This will ensure that all patients are given the most appropriate, up to date and clear advice.

### **Audit to assess compliance with LWH guidance on auditing Safeguarding procedures in accordance with statutory guidance**

As a result of this audit, communications and training were implemented in order to raise awareness of the necessity to record the unique reference number when a referral is made to the local authorities. This will ensure that LWH has a record of the referral being submitted as this unique reference number acts as a receipt.

### **Audit of the standard of Fetal Anomaly Screening Programme (FASP) images for the 20 week anomaly scan**

The results from this audit revealed that we are meeting the standards required with an "adequate" level of images, however it is recognised that with the limitations of ultrasound, 100% "good" standard of images is impractical. Regardless of these limitations, all sonographers aim to achieve the highest possible standard of images.

### **Postoperative surgical site infections (SSI) following caesarean sections (CS)**

Overall, we were compliant with guidelines, with 'all' patients receiving prophylactic antibiotics. Regardless of this, the Maternity unit considered the implementation of single use negative pressure dressings in patients with booking BMI of 35 or more, who are undergoing caesarean section, to reduce the SSI rates, as these women are over represented in the infection cases, when compared with background CS population. As the Maternity unit and the Integrated Primary Care Team (IPCT) supported this recommendation a business case is being developed and the recommendation will be implemented if costings are favourable.

### **To assess compliance with LWH Guideline on Delivery Room Continuous positive airway pressure (CPAP)**

The resuscitation policy was modified to state that 'any' exposure to antenatal steroids at these gestations qualifies the baby for a trial of CPAP if they are not apnoeic. A bespoke teaching package to highlight use at induction and for Advanced Neonatal Nurse Practitioner's (ANNP's) and Nursing staff and a Quality Improvement package was also developed.

#### **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 in the Trust Clinical Audit Annual Report and on the Trust's intranet to ensure all staff are able to access and share in the learning.

## Participation in Clinical Research

The Trust is continually striving to improve the quality of its services and patient experience. Research is recognised by the organisation as being pivotal to this ambition.

During 2017/18 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. We also continue to focus our efforts on collaborative research with academic partners to ensure the research we conduct is not only of high quality, but is translational, providing clinical benefit for our patients in a timely manner.

Our commitment to conducting clinical research demonstrates our dedication to improving the quality of care we offer and to making our contribution to wider health improvements. Our healthcare providers stay up to date with new and innovative treatment options and are able to offer the latest medical treatments and techniques to our patients.

The number of patients receiving relevant health services provided or sub-contracted by Liverpool Women's NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 2995 of which, 1931 were recruited into NIHR portfolio studies.

Liverpool Women's was involved in conducting 105 clinical research studies across our speciality areas of maternity, neonates, gynaecology oncology, general gynaecology, reproductive medicine, anaesthetics and genetics during 2017/18. At the end of 2017/18 a further 26 studies were in set up, including 4 industry studies.

There were approximately 223 clinical staff contributing to research approved by a research ethics committee at Liverpool Women's during 2017/18. 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, 97 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.

Some key research achievements during 2017/18 can be summarised as follows:

- The main multi-centre STRIDER trial, under the leadership of Professor Zarko Alfirevic was completed in February 2017. A follow-up study funded by the National Institute for Health Research (NIHR) Efficacy and Mechanism Evaluation (EME) is now underway to examine the balance of longer term benefits and risks associated with oral sildenafil citrate therapy in IUGR infants, in particular to determine the effect of sildenafil on neurodevelopmental and

cardiovascular outcomes in infancy in comparison with a placebo controlled group of IUGR infants.

- Preventing Post Traumatic Stress Disorder: the Stress and Wellbeing after Childbirth Study (STRAWB2)”: This definitive trial, funded by the NIHR Research for Patient Benefit programme (£348,363), compares self-help material with usual care for women screened to be at risk of developing Post-Traumatic Stress Disorder (PTSD) after childbirth. The self-help material aims to help women to understand and manage their early responses, based on psychological research. The trial opened on time at the beginning of April 2017 and has continued to recruit well throughout 2017/18.
- The Minidex trial, in receipt of funding of approximately £476,000 from the Efficacy and Mechanism Evaluation (EME) Programme, successfully novated from Leeds Teaching Hospital NHS Trust to the Trust. The Minidex study, now led by Dr Mark Turner will investigate whether a new, reduced dose of dexamethasone will be helpful or make no difference to premature babies with lung disease. The Minidex study opened for recruitment during the summer of 2017.
- During the summer of 2017, the Trust in collaboration with Finox AG and Boston IVF USA designed and obtained ethical approval for an innovative research study examining whether salivary hormone levels can be correlated to ovarian response in IVF cycles. If proven, it is hoped that this method can be used to replace serum measurements in the future.
- Research led by Dr Colin Morgan has led to the development of an idea for a new parenteral nutrition product that comprises a specific amino acid formulation concentration. The research team and the R&D Department, with the assistance of 2Bio, have worked with a team of patent attorneys to finalise and submit a patent application to protect the IP and allow the team to publish the preliminary data without other parties (especially commercial) using the information for commercial gain whilst the remaining scientific analysis is undertaken.
- Dr Dharani Hapangama continues with her ground breaking endometrial research supported by specific grant funding awards. A research project investigating the three dimensional architecture of the lining of the womb (endometrium) in relation to stem cell organisation was funded by the Wellbeing of Women national charity following open national competition. Dr Tempest was awarded a clinical training fellowship to work with Dr Hapangama at LWH (and with Professor Sir Nicholas Wright in London). The research has directly confirmed that stem cells exist in the human endometrium and described the three dimensional (3D) architecture of the human endometrial glands for the first time. This will lead to future research in obstetrics and gynaecology.

The Trust’s Vision is to be the recognised leader in healthcare for women, babies and their families. To achieve this vision, the Trust aims to foster a research culture, which will support its existing strengths and allow for opportunities to explore new directions in its research efforts. The following eight Strategic Principles (SPs) have been devised:

- (SP1) Research activities will become an integral part of the Trust’s clinical activities
- (SP2) All of the Trust’s clinical staff will contribute to the research agenda and relevant non-clinical staff will support research activity

- (SP3) The Trust will support and build upon its present research strengths
- (SP4) New areas of research that the Trust supports will link to the healthcare challenges of our local population of women and their newborn babies
- (SP5) A contribution to research internationally will be supported, particularly when social and economic disadvantage is linked to poor outcomes
- (SP6) The Trust will continue to underpin high quality research by training researchers and managing research infrastructures
- (SP7) The Trust will work with local, national and international research partners to achieve its vision and its aims.
- (SP8) Innovation will be encouraged and receive corporate support

A new Research and Innovation Strategy has been produced and approved by the Trust Board. The new strategy document describes the ways in which these eight Strategic Principles will be pursued in a five year cycle between 2018 and 2023.

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

A proportion of Liverpool Women's NHS Foundation Trust's income in 2017/18 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:

- |                              |  |
|------------------------------|--|
| • Staff Health and Wellbeing | • E-Referrals                          |
| • AMR / SEPSIS               | • Neonatal early supported discharge   |
| • Advice & Guidance          | • Neonatal reduction / term admissions |

Further details of the agreed goals for 2017/18 and for the following 12 month period are available electronically at: [www.liverpoolwomens.nhs.uk/About\\_Us/Quality\\_and\\_innovation.aspx](http://www.liverpoolwomens.nhs.uk/About_Us/Quality_and_innovation.aspx).

The total monetary value of the income in 2017/18 conditional upon achieving quality improvement and innovation goals was £2,035,820. The monetary total for the associated payment in 2016/17 was £1,983,283.

## 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 2017/18. 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 2018, the CQC identified 1 minor breach but had no concerns and rated the Trust as '**GOOD**'. There are 3 areas for Gynaecology which require improvement and the recommendations made by the CQC will be developed into an action plan which will be agreed with the CQC. Full results are shown in the table that follows:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Maternity	Good ↑ May 2018	Good ↔ May 2018	Good ↔ May 2018	Outstanding ↑ May 2017	Good ↔ May 2018	Good ↔ May 2018
Gynaecology	Good ↑ May 2018	Good ↔ May 2018	Good ↔ May 2018	Requires improvement ↓ May 2018	Requires improvement ↓ May 2018	Requires improvement ↓ May 2018
Neonatal Services	Good May 2015	Good May 2015	Good May 2015	Good May 2015	Good May 2015	Good May 2015
End of Life Care	Good May 2015	Good May 2015	Good May 2015	Good May 2015	Good May 2015	Good May 2015
Outpatients	Good May 2015	Not rated	Good May 2015	Good May 2015	Good May 2015	Good May 2015
Overall	Good ↑ May 2018	Good ↔ May 2018	Good ↔ May 2018	Good ↔ May 2018	Good ↔ May 2018	Good ↔ May 2018

### Ratings for the whole trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Good ← May	Good ↔ May	Good ↔ May	Good ↔ May	Good ↔ May	Good ↔ May

The rating for well-led is based on our inspection at trust level, taking into account what we found in individual services. Ratings for other key questions are from combining ratings for services and using our professional judgement.

### Data Quality

Liverpool Women's NHS Foundation Trust will be taking the following actions to improve data quality: monthly data quality sub-committees will continue to focus on specific specialties with representation from senior managers and clinicians. The focus will be on automating data submissions and developing the current suite of data quality reports to ensure accurate data submissions.

Liverpool Women's NHS Foundation Trust submitted records during 2017-18 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:

98.6% 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:

100% for admitted patient care,

99.9% 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.

## Information Governance

Liverpool Women's NHS Foundation Trust's Information Governance Assessment report overall score for 2017-18 was 75% and was graded **"Green - Satisfactory"**. An independent audit of the Trust proposed Information Governance Toolkit submission by the Merseyside Internal Audit Agency concluded its audit with an opinion of "Significant Assurance"

As well as managing the Trust Information Governance Toolkit submission for 2017/2018, the Trust has also been working to implement the General Data Protection Regulations, which will supersede the Data Protection Act 1998

## Clinical Coding

Liverpool Women's NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2017-18 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 specified instances in which it applies duty of candour on its Ulysses Risk Management system.

A review of Duty of Candour was undertaken in accordance with an amendment to the Trust's 2017/18 Internal Audit Plan as approved by the Audit Committee Chairman.

Duty of Candour requirements are covered by the Care Quality Commission's (CQC) Regulation 20. Trust Management are keen to confirm compliance with key aspects of Regulation 20 where they are aware that an incident has arisen requiring a Duty of Candour response.

The audit identified that there were actions raised in relation to how duty of candour conversations with patients and relatives were being recorded in patient notes. Actions have been completed to ensure that any duty of candour conversation held with patient are recorded in the patient records and on the Ulysses risk management system.

## Sign up to Safety

In September 2015 Liverpool Women's was at the forefront of the national "Sign up to Safety" campaign. This campaign focused on the reduction of avoidable harms. We launched projects in November 2015 that aimed 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. Following development in our quality approach these two specific improvement goals were incorporated into the ambitions and goals detailed within the new Quality Improvement Strategy that was launched in April 2017.

## Junior Doctor Staffing

Due to the known national shortage of junior doctors, and as detailed on the Trust Risk Register, the Trust usually runs with a number of gaps on the rotas across all services. The majority of these gaps are in the main covered by locum shifts from the current cohort of doctors in training. However, there is an increasing reliance on agency locum shifts in in O&G, managed within the current framework agreement. There is also an increasing trend of Consultants being asked to 'act own' and cover junior shifts where a junior doctor or agency doctor cannot be sourced. The gaps fluctuate throughout the year due to maternity leave, out of programme experiences and completion of training. The Guardian of safe working hours reports gaps and locum usage quarterly in accordance with The NHS Doctors in training contract 2016. The table below shows the number of gaps on rotas as of the start of the national rotation programme August 2017:

Speciality	No: of gaps
O&G	6.5
Neonates	2
Anaesthetics	2
Genetics	1

Due to the difficulty in recruiting to junior doctor posts, the Trust is working in partnership with Wrightington, Wigan and Leigh NHS Foundation Trust and Edge Hill University to provide an Obstetrics and Gynaecology programme to 2 International Training Fellows. The doctors will be placed at the Trust, for 3 years working clinically full time whilst undertaking a Master's programme.

The Trust is also working in partnership with the University of Liverpool and the Tropical School of Medicine, jointly employing clinical academics who will work 2.5 days clinical and 2.5 days academic.

## 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
24%	23%	18%

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

Trust Score	National Average	Highest National Score
91%	88%	91%

Note: national lowest scores were unavailable

## 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 for the reporting year.

### 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
9.85%	7.11%	11.45%

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.

## Trusts Responsiveness to Personal Needs of Patients

One of the care goals of the Liverpool Women's NHS Foundation Trust is to provide the best patient experience. We use the information provided from our patients to tell us that the experience they have of the treatment and care they receive on their journey through the NHS and how we can be even more important to them than how clinically effective care has been.

To be able to achieve this we work to ensure that all patient individual personal needs are identified and dealt with in the most appropriate manner. Working with patients in partnership is key to a good patient experience which can have a significant impact on their maternity experience and the birth of their baby, experience of the gynaecology services throughout patients department and inpatient ward and their recovery or a peaceful death.

A close relationship is built up with parents who have babies on the neonatal unit no matter how short a time that may be to ensure not only that the parent can be involved in their babies care as much as they are able but to also allow them to form a key essential bond with their baby.

Within the Gynaecology in patient service all patient have an individualised care plans in place from when they are admitted, which are updated as the patient condition changes. These are reviewed by the Matrons and Head of Nursing to ensure that they are of a high quality and meet the patient's needs.

Also within the unit there is a process of intentional rounding completed by the ward staff, ward manager and matrons to ensure that core care requirements are being met. This process is monitored via the use of ward nursing metrics system. The gynaecology ward had also introduced a daily huddle to clearly identify patients' needs and where applicable additional support if required.

IN relation to the maternity service, all women have an individualised birth plans which is developed during their pregnancy, to ensure that as far as is possible during the woman's maternity care she has the best experience she would like to have to meet her own personal needs. Birth plans are viewed by one of the Matrons to ensure that they are appropriate and written to meet the personal needs of the individual women.

A review of Quality Spot Checks was undertaken in accordance with the requirements of the Liverpool Women's NHS Foundation Trust's (Trust) Internal Audit Plan 2017/2018, as approved by the Audit Committee.

NHS Trusts are required to have robust processes in place to ensure that essential standards of quality and safety are maintained in line with standards set by the Care Quality Commission (CQC) and Health and Social Care Act (2008). The desired outcome is that a patient's experience of care is safe, positive and clinically effective.



The objective of this review was to undertake an unannounced, observational Quality Spot Check within Gynaecology, the Midwifery Led Unit and the Maternity Base. These checks took place on 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup> August 2017.

The first audit completed by Mersey internal Audit Authority (MIAA) was completed and found that a number of actions were required to improve the level of assurance. A follow up review was then completed in November 2018 and it was found that actions had been completed which provided for High Assurance in Gynaecology and Significant Assurance in Maternity Base.

## 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
80%	80%	90%

Data that is available / derived for 2016-17 no further update available nationally for 2017/18

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:

LWFT 2017-18*	LWFT 2016-17	National Target
98%	98%	90%

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:

LWFT 2017-18*	LWFT 2016-17	National Average
0	0	N/A

\*Local unmoderated data

Cannot find data for this measure for either 2016-17 or 2017-18 There is data for monthly infection counts for 2016-17 and 17-18 to February via Gov.uk

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 2016:

LWFT 2017-18*	LWFT 2016-17	National Average 2016-17
157.8	148.3	N/A

\*Local unmoderated data

National Data is that available / derived for 2016-17

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 Acute 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:

LWFT 2017-18*	LWFT 2016- 17	National Oct 16-Sep17**
0.3%	0.6%	0.5%

\* Local unmoderated data

\*\* Latest available data derived from NaPSIR data: NHSi April 2018

Liverpool Women's considers that this data is as described for the following reasons: the Trust over the last 18 months has achieved some success in moving its incident harm profile towards the

cumulative national profile by encouraging the reporting of lesser harm incidents in order to capture the learning from these before the issues manifest in patient harm. This re-balancing of the profile has reduced the proportional impact of the already low number of severe harm and death incidents.

Liverpool Women's intends to take the following actions to improve this indicator and so the quality of its services: to further strengthen its learning culture by increasing the reporting of 'no harm' and 'near miss' events to capture and address issues with the potential to cause harm, whilst still ensuring that all incidents where patients have suffered severe harm or death are reported externally and undergo a full investigation to identify the causes.

## Part 3

# Other Information

## Performance against Key National Priorities and National Core Standards

NHS improvement 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 NHS Improvement set out in this framework, unless they have already been reported in another part of this report.

Last year was a particularly challenging one for the NHS; all trusts were expected to provide the highest standards of care while achieving demanding efficiency savings. The trust continued to provide safe, high quality care to our patients. With the exception of Referral to Treatment and 62 Day Cancer, the trust continued to deliver the national targets. Alongside this, in a climate where many providers have struggled to achieve their financial plan, the trust has continued to deliver its financial performance.

Details of the national targets that are required to achieve are set out below, together with our actual performance:

Indicator Name	Target	Performance 2017/18	
A&E Clinical Quality - Total Time in A&E under 4 hours (accumulated figure)	95%	98.34%	Achieved
Cancer 62 Day Waits for first treatment (from NHS Cancer Screening Service referral) - post local breach re-allocation (accumulated figure)	90%	75%	Not Achieved
Cancer 31 day wait for second or subsequent treatment – surgery (accumulated figure)	94%	100%	Achieved
Cancer 31 day wait from diagnosis to first treatment (accumulated figure)	96%	96.6%	Achieved
Cancer 2 week (all cancers) (accumulated figure)	93%	96.4%	Achieved
Clostridium difficile due to lapses in care (accumulated figure)	0	0	Achieved
Never Events	0	2	Not Achieved
Incidence of MRSA bacterium	0	0	Achieved
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	92%	87.5%	Not Achieved
Cancer 62 Day Waits for first treatment (from urgent GP referral) - post local breach re-allocation (accumulated figure)	85%	57.4%	Not Achieved
Maximum 6-week wait for diagnostic procedures	99%	98.15%	Not Achieved

These indicators have been subject to additional assurance procedures by the Trust's external auditor

**18 Week Referral to Treatment and 62 day Cancer targets:** The Trust declared two serious incidents relating to breaches of national access target in February 2018 – one related to patients who had been referred in to the Trust by a GP with suspected cancer and who had subsequently breached the 62 day target; the second incident related to failure to accurately report patients who had breached the 18 week (referral to treatment) target.

Both incidents were reported internally on the trust's incident reporting system and externally on the national incident reporting system. This alerted NHS Improvement, NHS England and the CCG to the incident. The Trust also spoke directly to all regulators including the Care Quality Commission.

Formal Serious Incident investigations have been completed by an external investigator who is an expert in respect of cancer pathways and other referral to treatment targets. The Trust has been systematically working through the recommendations from the investigations to improve compliance to the national targets. The reported positions on the Cancer 62 day target was corrected in January 2018 and the RTT target from February 2018 as set out in the table above.

The trust's priority, as always, was to identify whether any patient had suffered a detriment in their care or any harm. Clinical reviews have taken place for individual patients who have been significantly delayed in receiving treatment and these have concluded that no harm has occurred.

The Trust has been open and transparent with patients and where appropriate patients have received a letter from the Trust apologising and assuring them that clinical review by a senior doctor had confirmed that they had suffered no harm or detriment as a result.

The number of indicators shown above has reduced this year in comparison to previous years' reports. This is in response to regulatory changes aimed at reducing the burden on providers and allowing a clearer focus.

## Celebrating Success at Liverpool Women's

### Dedicated to Excellence Awards

This is an annual award night to celebrate and acknowledge the achievements and dedication of all our staff. The awards evening offers an opportunity to personally thank and show our gratitude and personally to thank our staff for all their endeavours during the year. We would like this opportunity to also thank all the teams and individuals that were nominated.

### WINNERS

#### Dedicated to Innovation and Improvement (clinical)

New Induction of Labour Pathways

#### Dedicated to Innovation and Improvement (non-clinical)

'Je ne comprends pas' - Maternity Care Cards

#### Dedicated to Working together (team working and partnerships)

It's a family affair

#### Dedicated to Research

Description of the three dimensional architecture of the lining of the womb

(endometrium) in relation to stem cell organisation

**Dedicated to Patients and their Families**  
Improving Parental Engagement

**Dedicated to Patient Safety**  
10 years of 'One at a time'

**Dedicated to Clinical Audit**  
Stillbirth Audit

**Staff Fundraiser of the Year**  
There Is No Footprint Too Small To Run A Marathon For

**Mentor of the Year**  
Judi Brophy

**Learner of the Year**  
Rebecca Slater

**Employee of the Year**  
Nadia Aboarook

**Team of the Year**  
Theatres

**Volunteer of the Year**  
Margi O'Hare

**Patient Choice Award**  
Janet Burch

**Foundation Award**  
Description of the three dimensional architecture of the lining of the womb (endometrium) in relation to stem cell organisation

**Chief Executive Outstanding Contribution Award**  
IM&T  
Sarah McGrath

**NHS at 70 Chief Executive Outstanding Contribution Award**  
Bill Yoxall



**Dedicated to Innovation and Improvement (non-clinical) - 'je ne comprends pas' - Maternity Care Cards**





Dedicated to Patients and their Families - Improving Parental Engagement



Dedicated to Patient Safety - 10 years of 'One at a time'





**Dedicated to Innovation and Improvement (clinical) - New Induction of Labour Pathways**



### **National Bereavement Care Pathway**

Our trust is one of eleven trusts that are piloting The National Bereavement Care Pathway (NBCP). The pathway aims to improve the bereavement care parents in England receive after pregnancy or baby loss. It helps professionals to support families in their bereavement after any pregnancy or baby loss. The pathway covers five bereavement experiences: Miscarriage, Termination of pregnancy for fetal anomaly (ToPFA), Stillbirth, Neonatal death, Sudden unexpected death in infancy (SUDI).

### **Maternity**

The maternity team were part of wave 1 of NHS Improvement (NHSI) national initiative – Maternal and Neonatal Health Safety Collaborative. The key focus for 2017/2018 for LWH has been to monitor and reduce Co2 in pregnancy, as studies have found that there is an impact on the stillbirth rate. A collaboration with Liverpool Public Health is planned for 2018/2019 to develop a strategy to reduce smoking in pregnancy.

Improvements to triaging patients within the midwifery led unit and maternal assessment unit have been identified and adopted. The Trust is part of a 3 year improvement project in conjunction with NHSI, this involves regional and national networking, sharing best practice and putting new learning into place to improve safety and outcomes for patients.



## Gyneacology

### A Transformed Gynaecology Unit for a Better Patient Experience

In September 2017 the newly refurbished inpatient environment opened. The redesign, transformed two previous existing Gynaecology Wards, into one, new, modern, Gynaecology Unit to provide patients with a better experience.

This project began in September 2016 with an aim of reviewing and redesigning inpatient pathways, to improve patient experience. The main objective was to ensure that patients are looked after at the right time, in the right place and with the right clinical teams around them. We also aim use the wards space more efficiently, which as well as improving the patient and staff experience creating a caring and safe environment.

The Gynaecology in-patient and Admissions Lounge redesign opened in July 2017. This has facilitated and transformed an effective inpatient pathway at the hospital to improve the patient experience and also to ensure that we are providing efficient care to patients.

This project was an excellent opportunity to demonstrate the skilled work we do within our wards and for us to be forward thinking in suggesting new ways of working.

As a department we are fortunate to have a vast range of staff that all bring different qualities. We have experienced, knowledgeable and highly skilled staff who demonstrate this in the patient care they deliver ensuring the transformation of the ward's vision is that patients are at the heart of everything we do,

## Research

Professor Andrew Weeks was successful in obtaining an **£1.8 million grant award** from the NIHR HTA for the multi-centre COPE: The Carboprost or Oxytocin Postpartum haemorrhage Effectiveness study. The aim of the research is to determine the relative efficacy of intramuscular carboprost 250mcg and intravenous oxytocin 10iu as initial treatments for women with clinically diagnosed postpartum haemorrhage after giving birth in British hospitals.

A pan-European consortium, of which Dr Mark Turner is the scientific lead, was been successful in securing a **€140 million funding award** from Innovative Medicines Initiative 2 (IMI2). The funding will allow for a pan-European paediatric research network, CONECT4CHILDREN, to be established – led from Liverpool and Padova, Italy. CONECT4CHILDREN aims to improve the feasibility and impact of the overall paediatric medicines research agenda, providing crucial information at the right time for the licensing and use of medicines in children.

## 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.

### Commentary from South Sefton, Southport and Formby, Liverpool and Knowsley Clinical Commissioning Groups

**NHS Liverpool Clinical Commissioning Group  
Quality Account Statement 2017/18  
Liverpool Women's Hospital NHS Foundation Trust**

Liverpool, South Sefton, Southport and Formby and Knowsley CCGs welcome the opportunity to jointly comment on the Liverpool Women's Hospital NHS Foundation Trust Draft Quality Account for 2017/18. It is acknowledged that the submission to commissioners was draft and that some parts of the document require updating. Commissioners look forward to receiving the Trust's final version of the Quality Account.

We have worked closely with the Trust throughout 2017/18 to gain assurances that the services they delivered were safe, effective and personalised to service users. The CCGs share the fundamental aims of the Trust and support their strategy to deliver high quality, harm free care. The account reflects good progress on most indicators.

This Account indicates the Trust's commitment to improve the quality of the services it provides and supports the key priorities for improvement of quality during 2017/18. Commissioners note the priorities and individual measures from 2017/18 have been carried forward to 2018/19 and they are:

Priority 1: Reduce avoidable harm

Priority 2: Achieve the best clinical outcomes

Priority 3: Provide the best patient experience

This is a comprehensive report that clearly demonstrates progress within the Trust. It identifies where the organisation has done well, where further improvement is required and what actions are needed to achieve these goals, in line with the Trust Quality Strategy.

Through this Quality Account and on-going quality assurance process the Trust clearly demonstrates their commitment to improving the quality of care and services delivered.

The Trust places significant emphasis on its safety agenda, promoting an open and transparent culture, and this is reflected with the work the Trust has undertaken to aim to achieve zero never events, reduce medication incidents resulting in harm, achieve 100% sepsis screening, reduce avoidable readmissions, reduce avoidable returns to theatre and reduce avoidable 'term' neonatal admissions. Of particular note, is the work the Trust has undertaken to improve outcomes on the following work streams:

- Screening was undertaken in an appropriate manner for all patients presenting to the emergency room with suspected sepsis, and all hospital in-patients who developed symptoms

- There were no direct maternal deaths recorded in 2017-18
- There were zero unexpected deaths in women having gynaecological treatment
- There has been zero cases of Clostridium Difficile since 2014-15 and Zero MRSA infections in 2017/18

The CCGs would like to acknowledge the Trust's work with commissioners and the continued involvement of patients and carers in developing options for the future, based on strong clinical evidence and the most rigorous standards of quality.

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

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

#### **Liverpool CCG**

**Jan Ledward**  
Chief Officer  
Date 23.05.18

#### **South Sefton CCG Southport and Formby CCG**

**Fiona Taylor**  
Chief Officer  
Date 21.05.18

#### **Knowsley CCG**

**Dianne Johnson**  
Chief Executive  
Date 18.05.18

## **Commentary from Healthwatch**

### **Healthwatch Liverpool**

#### **Liverpool Women's Quality Account Commentary**

Healthwatch Liverpool welcomes the opportunity to comment on the 2017-18 Quality Account for the Liverpool Women's NHS Foundation Trust.

This commentary is informed by our ongoing engagement with the Trust and its patients, the feedback received through our information and signposting service and independent web-based resources (such as [www.careopinion.org.uk](http://www.careopinion.org.uk)).

We would like to take this opportunity to commend the Liverpool Women's for their engagement with Care Opinion and how compassionate their responses are to patients' feedback left on the Care Opinion website. This level of care for the patients and their experience was mirrored during the PLACE assessment which Healthwatch Liverpool attended on 25/04/2017 and from the Listening Event held at the Liverpool Women's on 11/01/2018 where we spoke to 68 patients. Overall the feedback from the listening event was very positive, especially with regards to staff; however there was some dissatisfaction around the state or lack of certain facilities (e.g. lack of TVs on wards).

It is reassuring that although the NHS is under increased pressure, and the Trust in particular may have major changes ahead, the staff are perceived by patients to care for them and to be doing the best they can despite any challenges or uncertainty about the future. This is a reminder of how important staff and their attitudes towards patients are in the patient experience of care.

However, from a patient's perspective, we did note that only one of the Trust's Patient Experience priorities for 2018-19 is directly related to patients and their experience. The remaining 3 Patient Experience priorities focus on staff health and wellbeing. While we agree that improved staff health and wellbeing is important, it is not the only factor in patient experience. Furthermore when patients express concerns to us about NHS staffing it tends to be about the staffing levels and whether staff workload is sustainable. To address this we feel issues such as staffing levels would also need to be addressed as well as staff wellbeing activities. Additionally, although it is good to see the Trust has a Patient Experience Lead, we feel there could be more focus on patient experience feedback, especially in light of the low uptake of the Friends and Family Tests by patients (which could have been an objective to improve). Another one of the objectives could have been about PALS+; whilst we welcome the PALS+ approach to help people get their concerns resolved promptly, we'd like to see how the Trust plans to learn from any trends that may be identified through issues raised this way.

It is good to see that the Trust is being responsive to patient feedback such as the investment in Netcall to address the issues around getting through on the phones.

The low twin rate in the IVF department is laudable as we are aware that lowering multiple birth rates has been a priority in the past. It is reassuring that there have continued to be no maternal deaths and the number of avoidable deaths is decreasing. It is also impressive to see that avoidable neonatal admissions have halved from last year and are well below the national benchmark (9% vs 30%).

We would have liked to have seen the Trust's positive work to support its diverse patients reflected in the Quality Account. We are aware for example that the Trust has listened to the experiences of refugee women with English as a second language and developed 'care cards' to improve their experience of maternity services. We would like to see examples of patient focused care such as this celebrated and shared in the future.

We look forward to our continual engagement with the Trust, its commissioners and its patients, as well as the expected public consultation about the future of the hospital. This will hopefully lead to more certain times for the Trust.

Sarah Thwaites  
Chief Officer Healthwatch Liverpool  
15/05/2018

## Healthwatch Sefton

"Given a change in deadlines, Healthwatch Sefton has unfortunately not been able to submit a commentary for this account. We would like to meet with the Trust to discuss how we can engage with patients over the coming 12 months and have more involvement in the Trusts patient experience work."

Best Wishes  
Diane Blair  
Manager  
16/05/2018

HealthWatch Knowsley - Requested but not received.

HealthWatch Halton - Requested but not received.

HealthWatch St Helens - Requested but not received.

## Commentary from Local Authority Overview & Scrutiny Committees (OSCs)

**Liverpool City Council** - Requested but not received.

**Knowsley Council** - Requested but not received.

**Sefton Council** - Requested but not received.

**St Helens Council** - Requested but not received.

**Halton Borough Council** - Requested but not received.

## 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.

NHS Improvement 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 2017/18 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 2017 to 26 May 2018
  - Papers relating to quality reported to the board over the period April 2017 to 18th May 2018
  - Feedback from Liverpool CCG, South Sefton CCG, Southport and Formby CCG, Knowsley CCG dated 23/05/18
  - Feedback from Council of Governors requested on 24 April 2018
  - Feedback from Local Healthwatch organisations, Healthwatch Liverpool dated 15/05/2018 and Healthwatch Sefton dated 16/05/2018
  - Feedback from Sefton Council Overview and Scrutiny Committee, no response received
  - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2018
  - The latest national patient survey, published January 2018
  - The latest national staff survey, published March 2018
  - The Head of Internal Audit's annual opinion over the trust's control environment dated May 2018
  - CQC inspection dated 23 May 2018
- 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](http://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](http://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  
29 May 2018



**Kathryn Thomson**  
Chief Executive  
29 May 2018



### **Annex 3: INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF LIVERPOOL WOMENS NHS FOUNDATION TRUST ON THE QUALITY REPORT**

We have been engaged by the Council of Governors of Liverpool Women's NHS Foundation Trust to perform an independent assurance engagement in respect of Liverpool Women's NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

#### **Scope and subject matter**

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the following two national priority indicators (the indicators):

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period ('the 18 week RTT indicator'); and
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers ('the 62 day cancer waits indicator').

We refer to these national priority indicators collectively as the 'indicators'.

#### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2017/18* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the *Detailed Requirements for external assurance for quality reports for foundation trusts 2017/18* ('the Guidance').

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2017 to May 2018;
- papers relating to quality reported to the board over the period April 2017 to May 2018;
- feedback from commissioners, dated 23 May 2018;
- feedback from governors, dated 24 April 2018;
- feedback from local Healthwatch organisations, dated 15 May 2018;
- feedback from Overview and Scrutiny Committee, requested but not received;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated January 2018;

- the latest national staff survey, dated March 2018;
- Care Quality Commission Inspection, dated 23 May 2018;
- the 2017/18 Head of Internal Audit's annual opinion over the trust's control environment, dated May 2018; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Liverpool Women's NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Liverpool Women's NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **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 affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change

over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non- mandated indicator, which was determined locally by Liverpool Women's NHS Foundation Trust.


#### **Basis for adverse conclusion on the 18 week RTT indicator and the 62 day cancer waits indicator**

As set out in the Statement on Quality from the Chief Executive of the Foundation Trust on pages 87 to 88 of the Trust's Quality Report, the Trust currently has concerns with the accuracy and completeness of the data for the 18 week RTT indicator and the 62 day cancer waits indicator. The Trust identified during the year that there were data quality issues with the data recorded for both indicators. The Trust had been incorrectly reporting patients who had been referred in to the Trust by a GP with a suspected cancer and who had subsequently breached the 62 day target. The Trust had also failed to accurately report patients who had breached the 18 week target. As a result of these issues, we have concluded that the 18 week RTT indicator and the 62 day cancer waits indicators for the year ended 31 March 2018 have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

#### **Conclusion**

Based on the results of our procedures, except for the effects of the matters described in the 'Basis for adverse conclusion on the 18 week RTT indicator and the 62 week cancer waits indicator' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance.



KPMG LLP  
Chartered Accountants Manchester  
1 St Peter's Square Manchester  
M2 3AE

29 May 2018

## Annex 4: Glossary of Terms

<b>Assisted Conception</b>	The use of medical procedures to produce an embryo.
<b>CCG</b>	Clinical Commissioning Group – Local groups of GP practices commissioned health services from the Trust for their patients.
<b>Epidural</b>	Form of regional analgesia used during childbirth.
<b>Established Labour</b>	The period from when a woman is 4 cms dilated and contracting regularly.
<b>Gynaecology</b>	Medical practice dealing with the health of the female reproductive system.
<b>Gynaecological Oncology</b>	Specialised field of medicine that focuses on cancers of the female reproductive system.
<b>Haemorrhage</b>	The flow of blood from a ruptured blood vessel.
<b>HES</b>	Hospital Episodes Submission.
<b>HFEA</b>	Human Fertilisation & Embryology.
<b>HIE</b>	Hypoxic Ischaemic Encephalopathy is an acute disturbance of brain function caused by impaired oxygen delivery and excess fluid in the brain.
<b>HSCIC</b>	Health and Social Care Information Centre.
<b>Intraventricular Haemorrhage</b>	Bleeding within the ventricles of the brain.
<b>Intrapartum</b>	Occurring during labour and delivery.
<b>LWFT (sometimes LWH)</b>	Liverpool Women's NHS Foundation Trust.
<b>Maternity</b>	The period during pregnancy and shortly after childbirth.
<b>MBRRACE -UK</b>	Mother and Baby Reducing Risks through Audits & Confidential Enquiries across the UK.
<b>Neurological</b>	The science of the nerves, the nervous system and the diseases affecting them.
<b>Neonatal</b>	Of or relating to newborn children.
<b>NICE</b>	National Institute for Health and Care Excellence.
<b>NIHR</b>	National Institute for Health Research.
<b>NNAP</b>	National Neonatal Audit Project.
<b>NMR / NNMR</b>	Neonatal Mortality Rate; Deaths of infants in the newborn period.
<b>NRLS</b>	National Reporting & Learning System.
<b>ONS</b>	Office for National Statistics.
<b>PALS</b>	Patient Advice & Liaison Service.
<b>Perinatal</b>	The period surrounding birth.

<b>Periventricular Leukomalacia</b>	A form of brain injury involving the tissue of the brain known as 'white matter'.
<b>PHE</b>	Public Health England.
<b>Postnatal</b>	Term meaning 'After Birth'.
<b>Post-operative</b>	Period immediately after surgery.
<b>Pre-eclampsia</b>	A condition involving a number of symptoms including increased maternal blood pressure in pregnancy and protein in the urine.
<b>RCOG</b>	Royal College of Obstetrics & Gynaecology.
<b>Root Cause Analysis</b>	A method of problem solving used for identifying the root causes of faults or problems.
<b>SGA</b>	Small for Gestational Age.
<b>Tissue Viability</b>	Tissue Viability is about the maintenance of skin integrity, the management of patients with wounds and the prevention and management of pressure damage.
<b>Ultrasound</b>	Sound or other vibrations having an ultrasonic frequency, particularly as used in medical imaging.
<b>VTE</b>	Venous Thrombo-embolism; this describes a fragment that has broken away from a clot that had formed in a vein.
<b>VLBW</b>	Very Low Birth Weight - babies born weighing less than 1500 grams
<b>VON</b>	Vermont Oxford Neonatal Network.
<b>WHO</b>	World Health Organisation.





# Independent auditor's report

## to the Council of Governors of Liverpool Women's NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Liverpool Women's NHS Foundation Trust ("the Trust") for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and the related notes, including the accounting policies in note 1.

#### In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended; and
- the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2017/18 and the Department of Health Group Accounting Manual 2017/18.

#### Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates the Trust's reliance on distressed funding. The Trust has planned for a £1.6m deficit in 2018/19, and for further working capital support loans of £1.6m in 2018/19. Although a loan of £5.6m is due for repayment in March 2019 the Trust have an expectation that they will not be required to pay this back in 2018/19 on account of the requirement to borrow further funds to enable this and therefore have not included the repayment in their 2018/19 plan.

#### Overview

<b>Materiality:</b>	£1.5m
financial statements as a whole	1.4% of total revenue

#### Risks of material misstatement vs 2017

<b>Event driven</b>	<b>New:</b> Estimation of NHS income and receivables	n/a
	<b>New:</b> Valuation of land and buildings	n/a

Should this not prove to be the case, the Trust will not have sufficient cash resources to repay the loan without borrowing further funds.

These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.



## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
<b>Existence of NHS income and receivables</b>  (NHS income £109.3 million; 2017: £103.5 million and NHS receivables £7.4m; 2017: £6.2 million)  <i>Refer to page 29 (Audit Committee Report), page 164 (accounting policy) and page 174 (financial disclosures).</i>	<b>Subjective estimate and accounting treatment</b>  The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners, which make up over 90% of income from activities.  The Trust participates in the Agreement of Balances (AoB) exercise which is mandated by the Department of Health (the Department), covering the English NHS only, for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department's resource account. The AoB exercise identifies mismatches between income and expenditure and receivable and payable balances recognised by the Trust and its counter parties at the balance sheet date.  Mismatches can occur for various reasons, but the most significant arise where the Trust and commissioners are yet to validate the level of estimated accruals for completed healthcare spells which have not yet been invoiced, accruals for non-contracted out-of-area treatments are not recognised by commissioners or potential contract penalties for non-performance are yet to be finalised. Where there is a lack of agreement, mismatches can be classified as formal disputes and referred to NHS England Area Teams for resolution.  <b>Accounting Treatment</b>  In 2017/18 there is an increased risk of misstatement from the estimation of income from Sustainability and Transformation funding (STF). The Trust has recognised STF income of £5.5 million, with 70% of the STF based on achievement of the financial control total and 30% based on achievement of operational trajectories for key performance indicators agreed with NHS Improvement.	Our procedures included:  — <b>Test of detail:</b> We compared the actual income for the Trust's most significant commissioners against the block contracts agreed at the start of the year and checked the validity of any significant variations between the actual income and the contracted income to appropriate third party confirmations;  — <b>Test of detail:</b> We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant receivables recorded in the Trust's financial statements to the payable balances recorded within the accounts of commissioners and, where applicable, investigating variances via breakdown analysis and review of relevant correspondences to assess reasonableness; and  — <b>Test of detail:</b> We agreed the receipt of Sustainability and Transformation Funding monies, including the basis for agreement of quarter four funding based on relevant financial and performance measures, and confirmed the treatment is in line with guidance from the NHS Improvement.



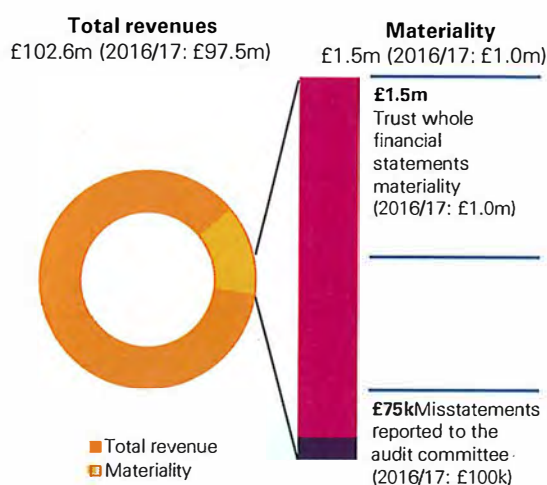
	The risk	Our response
<b>Valuation of land and buildings</b> (£64 million; 2017: £59.6 million)  <i>Refer to page 29 (Audit Committee Report), page 166 (accounting policy) and page 182 (financial disclosures)</i>	<b>Subjective valuation:</b>  Land and buildings are required to be held at current value in existing use. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with an equivalent asset (depreciated replacement cost).  The Trust's accounting policy requires an annual review for impairment, a full valuation (usually in five yearly intervals) and periodic desk top valuations in the years in between.  Valuations are inherently judgmental, therefore our work focused on whether the valuer's methodology, assumptions and underlying data, were appropriate and correctly applied. Key assumptions include the treatment of VAT and the application of indices.  In 2017/18, in line with their accounting policies, the Trust commissioned a desktop valuation of its land and building asset from its valuers. The valuation covered all of the Trust's land and building assets.  The asset valuation and impairment review processes are both estimates and therefore present a significant risk to the audit.	Our procedures included:  — <b>Assessing valuers credentials:</b> We assessed the competence, capability, objectivity and independence of the Trust's external valuer and assessed the accuracy and completeness of the information provided to the valuer in 2017/18, to inform the desktop valuation;  — <b>Methodology choice:</b> We critically assessed the valuation method and the reasonableness of the assumptions used by the valuer to arrive at the final valuations;  — <b>Test of detail:</b> We reconciled the valuation report to the financial statements to ensure that valuation movements had been applied correctly both in total and at an individual asset level; and  — <b>Test of detail:</b> We critically assessed the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken.

### 3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £1.5 million (2016/17: £2.0 million), determined with reference to a benchmark of total revenue (of which it represents approximately 1.4% (2016/17 2%)). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £75k (2016/17: £100k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed at the Trust's headquarters in Liverpool.



### 4. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

#### Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

#### Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

### 5. Respective responsibilities

#### Accounting Officer's responsibilities

As explained more fully in the statement set out on page 69, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity

#### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

### Our conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources is qualified

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

#### Qualified conclusion

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects Liverpool Women's NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2018.

#### Basis for qualified conclusion

In considering the Trust's arrangements for securing sustainable resource deployment, we identified the following matters:

- The Trust is reliant on cash support from the Department of Health. Cumulatively, at the 31st March 2018, the Trust has drawn down £12.25m of distressed funding.
- £5.6m of distressed funding is due to be repaid in the 2018/19 financial year but the Trust has an expectation this will not need to be repaid without borrowing further funds and therefore has not built this repayment into the 2018/19 annual plan.
- The Trust's 2018/19 annual plan includes a requirement for £1.6m of further revenue support.

#### Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had 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 and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

#### Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risk identified during our risk assessment is set out below together with the findings from the work we carried out in that area.

Significant Risk	Description	Work carried out and judgements
<b>Financial sustainability</b>	Due to a combination of regulatory scrutiny and significant financial challenge in the sector and locally across the health economy, we undertook a detailed review of the Trust's developing financial position and sustainability.	<p>Our work included:</p> <ul style="list-style-type: none"> <li>— Performing an analysis of the Trust's actual position against plan;</li> <li>— Considering the core assumptions in the Trust's 2018/19 Annual Plan submission;</li> <li>— Considering the extent to which recurrent cost improvement schemes were achieved in 2017/18 and identified for 2018/19;</li> <li>— Reviewing the Trust's cash flow forecasts and availability of distress funding, as well as consideration of the level of debt within the Trust; and</li> <li>— Reviewing the number of material contracts with commissioners which have been agreed for 2018/19 and the supporting risk analysis as reported to the Board.</li> </ul> <p>In 2017/18 the Trust accepted a £4m control total deficit.</p> <p>The Trust achieved a deficit of £1.3m, following receipt of a further £2.3m of STF money after over-achieving against the control total deficit.</p> <p>In 2017/18 the Trust indicated a requirement for distress funding of £4m but only drew down £2m during the year. As at the end of 2017/18, the Trust had working capital loans from the Department of Health totalling £12.25m.</p> <p>Although a loan of £5.6m was due for repayment in March 2018 the Trust was not in a position to make the repayment without borrowing further funds and notified NHSI. The Trust received instruction from NHSI that the repayment date had been rolled forward to March 2019. The Trust has an expectation that they will not be required to pay this back in 2018/19 on account of the requirement to borrow further funds to enable this. This is consistent with advice from NHSI planning guidance and therefore have not included the repayment in their 2018/19 plan. Should this not prove to be the case, the Trust will not have sufficient cash resources to repay the loan.</p> <p>No distress revenue funding has been drawn down in the 2018/19 year to date however the Trust is anticipating it will require £1.6m to be drawn down in the 2018/19 year and this has been built into the Trust's 2018/19 financial plan.</p> <p>We concluded that these issues highlighted weaknesses in the Trust's arrangements to plan its finances effectively to support the sustainable delivery of strategic priorities and maintain its statutory functions</p>

## **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

## **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Liverpool Women's NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



**Timothy Cutler for and on behalf of KPMG LLP  
(Statutory Auditor)**

*Chartered Accountants*

1 St Peters Square, Manchester, M2 3AE  
29 May 2018





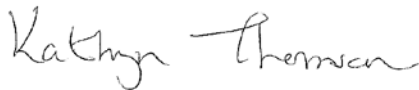
## 6. Foreword to the Accounts

Accounts for the period ending 31 March 2018

The following presents the accounts for the Liverpool Women's NHS Foundation Trust for the period ending 31<sup>st</sup> March 2018.

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

A handwritten signature in black ink that reads "Kathryn Thomson". The signature is written in a cursive style with a large initial 'K' and a long horizontal stroke at the end.

**Kathryn Thomson**

Chief Executive

29 May 2018

## Statement of Comprehensive Income

		2017/18	2016/17
	Note	£000	£000
Operating income from patient care activities	2	102,633	97,537
Other operating income	3.1	13,019	12,020
Operating expenses	4.1	(115,262)	(112,229)
<b>Operating surplus / (deficit) from continuing operations</b>		<b>390</b>	<b>(2,672)</b>
Finance income	9	24	16
Finance expenditure	10.1	(261)	(232)
PDC dividends payable		(1,484)	(1,544)
<b>Net finance costs</b>		<b>(1,721)</b>	<b>(1,760)</b>
Other gains / (losses)	11	1	(2)
Share of losses of joint arrangements	14	0	(310)
<b>Deficit for the year</b>		<b>(1,330)</b>	<b>(4,744)</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Revaluations	13	3,134	2,214
<b>Total comprehensive income / (expense) for the year</b>		<b>1,804</b>	<b>(2,530)</b>

All income and expenditure is derived from continuing operations. The Trust has no minority interest.



## Statement of Financial Position

	Note	31 March 2018 £000	31 March 2017 £000
<b>Non-current assets</b>			
Intangible assets	12	278	473
Property, plant and equipment	13	75,540	71,691
Trade and other receivables	17.1	495	524
<b>Total non-current assets</b>		<b>76,313</b>	<b>72,688</b>
<b>Current assets</b>			
Inventories	16	452	366
Trade and other receivables	17.1	8,407	8,201
Cash and cash equivalents	18.1	6,013	4,897
<b>Total current assets</b>		<b>14,872</b>	<b>13,464</b>
<b>Current liabilities</b>			
Trade and other payables	19	(8,790)	(9,151)
Borrowings	21	(6,212)	(6,212)
Provisions	22.1	(3,948)	(2,338)
Other liabilities	20	(2,467)	(1,426)
<b>Total current liabilities</b>		<b>(21,417)</b>	<b>(19,127)</b>
<b>Total assets less current liabilities</b>		<b>69,768</b>	<b>67,025</b>
<b>Non-current liabilities</b>			
Borrowings	21	(11,009)	(10,963)
Provisions	22.1	(566)	(673)
Other liabilities	20	(1,686)	(1,717)
<b>Total non-current liabilities</b>		<b>(13,261)</b>	<b>(13,353)</b>
<b>Total assets employed</b>		<b>56,507</b>	<b>53,672</b>
<b>Financed by</b>			
Public dividend capital		38,451	37,420
Revaluation reserve		15,367	12,233
Income and expenditure reserve		2,689	4,019
<b>Total taxpayers' equity</b>		<b>56,507</b>	<b>53,672</b>

The notes following the primary statements, numbered 1 to 28 form part of these accounts.

The financial statements contained within these accounts were approved by the Board of Directors on the 29 May 2018 and were signed on its behalf by:



Signed: .....

Name : Kathryn Thomson

Position: Chief Executive

## Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	<b>37,420</b>	<b>12,233</b>	<b>4,019</b>	<b>53,672</b>
Deficit for the year	0	0	(1,330)	(1,330)
Revaluations	0	3,134	0	3,134
Public dividend capital received	1,031	0	0	1,031
<b>Taxpayers' equity at 31 March 2018</b>	<b>38,451</b>	<b>15,367</b>	<b>2,689</b>	<b>56,507</b>

## Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2016 - brought forward</b>	<b>36,610</b>	<b>10,019</b>	<b>8,763</b>	<b>55,392</b>
Deficit for the year	0	0	(4,744)	(4,744)
Revaluations	0	2,214	0	2,214
Public dividend capital received	809	0	0	809
Other movements in public dividend capital in the year	1	0	0	1
<b>Taxpayers' equity at 31 March 2017</b>	<b>37,420</b>	<b>12,233</b>	<b>4,019</b>	<b>53,672</b>

## **Information on reserves**

### **Public dividend capital**

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

### **Revaluation reserve**

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

### **Income and expenditure reserve**

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

# Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit)		390	(2,672)
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	4.1	4,537	4,435
(Increase) / decrease in receivables and other assets		(177)	(3,853)
(Increase) / decrease in inventories		(86)	(40)
Increase / (decrease) in payables and other liabilities		492	2,497
Increase / (decrease) in provisions		1,502	613
Other movements in operating cash flows		(1)	1
<b>Net cash generated from operating activities</b>		<b>6,657</b>	<b>981</b>
<b>Cash flows from investing activities</b>			
Interest received		24	16
Purchase of intangible assets		(44)	(30)
Purchase of property, plant, equipment and investment property		(5,000)	(4,972)
Sales of property, plant, equipment and investment property		134	585
Cash movement from acquisitions/disposals of subsidiaries		0	(310)
<b>Net cash used in investing activities</b>		<b>(4,886)</b>	<b>(4,711)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		1,031	809
Movement on loans from the Department of Health and Social Care		46	6,380
Loans interest paid		(257)	(215)
PDC dividend paid		(1,475)	(1,572)
<b>Net cash (used in) / generated from financing activities</b>		<b>(655)</b>	<b>5,402</b>
<b>Increase in cash and cash equivalents</b>		<b>1,116</b>	<b>1,672</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>4,897</b>	<b>3,225</b>
<b>Cash and cash equivalents at 31 March</b>	18.1	<b>6,013</b>	<b>4,897</b>

## Notes to the Accounts:

### Note 1 Accounting policies and other information

#### Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DH GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to 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

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

For 2017/18 the Trust planned a deficit of £7,204k before receipt of STF income. The Trust achieved a deficit of £6,880k before receipt of STF income.

Distressed funding has been made available to support the cash position of the Trust, ensuring liabilities are met, and this support will continue into 2018/19. Although one loan from DH of £5.6m has now been extended to March 2019, the Trust has an expectation that they will not be required to pay this back in 2018/19 while they are continuing to draw down further distressed funding.

The matters referred to above represent a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. However based on the indications below the Trust believe that it remains appropriate to prepare the financial statements on a going concern basis and therefore the financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The Trust's expectation is that services will continue to be provided from the existing hospital sites in the short term. However it recognises that sustainable financial balance needs to come through engagement with the wider health economy requiring not only the trust to achieve efficiencies but also for it to maximise the use of its assets and support the wider transformational change in service delivery. The Trust will continue to work with commissioners, regulators and its stakeholders to achieve this objective.

In addition to the matters referred to above, the Trust has not been informed by NHSI that there is any prospect of its dissolution within the next twelve months and it anticipates the continuation of the provision of services in the foreseeable future as evidenced by the inclusion of financial provision for those services in published documents and contracts for services with commissioners.

## Note 1.1 Interests in other entities

### 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 Trust has assessed its relationship to the Charitable Trust and determined it to be a subsidiary because the 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 FRS 102. The Trust has not consolidated the Liverpool Women's NHS Foundation Charitable Trust in its accounts on the grounds of materiality.

### Joint ventures

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

### Segmental Reporting

The 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 Trust's main commissioners are listed in the related party disclosure (see Note 28).

The 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 Trust's customers come from the City of Liverpool and surrounding areas, although the Trust also has contracts to treat patients from further afield including Wales and the Isle of Man. Both divisions have the same regulators (NHS Improvement, 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 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. 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. The main source of this income is from Health Education England. It also includes Sustainability and Transformation Fund income which was established by and received from NHS England to stabilise NHS operational performance. The incentive and bonus element of this was accrued at 31 March 2018.

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 accounts 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 Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's 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 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 2018 was requested across the whole 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 Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control, 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, e.g. 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 valuation.

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 2018 have been reflected in the 2017/18 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.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

### *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 Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed 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 *DH GAM*, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised



in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

### De-recognition

Assets intended for disposal are reclassified as 'held for sale' once 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';

and

- 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.

### Useful Economic lives 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	-	-
Buildings, excluding dwellings	35	79
Dwellings	63	63
Plant and machinery	1	10
Information technology	1	5
Furniture and fittings	1	10

## 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 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 Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the 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, e.g. application software, is capitalised as an intangible asset.

### Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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.

### Useful 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
Software licences	1	5

### **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 Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the 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 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 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.

**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 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**

Operating leases and their 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 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 Trust. Lease income received in advance is deferred over the life of the lease.

**Note 1.11 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

**Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Trust is disclosed at note 23 but is not recognised in the Trust’s accounts.

**Non-clinical risk pooling**

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

### **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 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 0.10% for employee early departure obligations.

### **Legal claims**

Legal claims provisions relate to employer and public liability claims. Expected costs are advised by NHS Resolution or other legal professionals.

### **Other provisions**

Other provisions are in respect of costs arising from organisational restructure 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 23 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 23, 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 Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, 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 of the audit of the annual accounts.

### **Note 1.14 Value added tax**

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

### **Note 1.15 Corporation tax**

The Trust has determined that it has no corporation tax liability having reviewed "Guidance on the tax treatment of non-core health care commercial activities of NHS 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 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.

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 expenditure 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 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 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 Gifts**

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

#### **Note 1.20 Cash and cash equivalents**

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

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

#### **Note 1.21 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

### Note 1.22 Standards, amendments and interpretations in issue but not yet effective or adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 and IFRS 17 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 15 Revenue from Contracts with Customers – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

### Note 1.23 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, management is required to make judgements, 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)

	2017/18 £000	2016/17 £000
<b>Acute services</b>		
Elective income	9,834	9,346
Non elective income	24,751	21,036
First outpatient income	2,777	7,149
Follow up outpatient income	2,708	4,055
A & E income	1,419	1,347
High cost drugs income from commissioners (excluding pass-through costs)	319	300
Other NHS clinical income	55,568	49,446
Private patient income	2,880	2,979
Other clinical income	2,377	1,879
<b>Total income from activities</b>	<b>102,633</b>	<b>97,537</b>

The figures quoted are based upon income received in respect of actual activity undertaken within each category.

### Note 2.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18 £000	2016/17 £000
NHS England	21,808	19,392
Clinical commissioning groups	70,627	68,472
Other NHS providers	4,941	4,815
Local authorities	47	47
Non-NHS: private patients	2,880	2,979
Non-NHS: overseas patients (chargeable to patient)	163	288
NHS injury cost recovery scheme *	82	41
Non NHS: other	2,085	1,503
<b>Total income from activities</b>	<b>102,633</b>	<b>97,537</b>

\*The Injury Costs Recovery Scheme income has been provided for as an impairment of receivables at 22.84% to reflect the expected rates of collection (2016/17: 22.94%).

All the Trust's 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 2017/18 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 Trust's activities relate to a single operating segment in respect of the provision of specialist acute health care.



### Note 2.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18	2016/17
	£000	£000
Income recognised this year	163	288
Cash payments received in-year	207	191
Amounts added to provision for impairment of receivables	93	92
Amounts written off in-year	0	0

### Note 3 Other operating income

#### Note 3.1 Other operating income comprises:

	2017/18	2016/17
	£000	£000
Research and development	970	837
Education and training	4,763	5,497
Non-patient care services to other bodies	6	9
Sustainability and transformation fund income*	5,553	4,462
Rental revenue from operating leases	371	232
Other income*	1,356	983
<b>Total other operating income</b>	<b>13,019</b>	<b>12,020</b>

\*During 2016/17 NHS England established a Sustainability and Transformation Fund to stabilise NHS operational performance. Included above is the share that has been allocated to the Trust.

\*Other Income includes Car Parking, Clinical Excellence Awards and Property Rentals.

#### Note 3.2 Income from activities arising from commissioner requested services

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

	2017/18	2016/17
	£000	£000
Income from services designated as commissioner requested services	21,425	18,606
Income from services not designated as commissioner requested services	94,227	90,951
<b>Total</b>	<b>115,652</b>	<b>109,557</b>

The Income from Commissioner and Non Commissioner Requested Services equals the total value of income from activities in the Statement of Comprehensive Income and also notes 2 and 3.1.

## Note 4 Operating expenditure

### Note 4.1 Operating expenses comprise:

	2017/18	2016/17
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	5,515	5,680
Purchase of healthcare from non-NHS and non-DHSC bodies	264	152
Staff and executive directors costs	66,434	65,921
Remuneration of non-executive directors	142	136
Supplies and services - clinical (excluding drugs costs)	6,371	6,295
Supplies and services - general	2,876	3,076
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	2,340	2,586
Consultancy costs	313	472
Establishment	1,165	1,186
Premises	5,683	4,986
Transport (including patient travel)	322	338
Depreciation on property, plant and equipment	4,298	4,240
Amortisation on intangible assets	239	195
Increase in provision for impairment of receivables	462	78
Increase in other provisions	0	122
Change in provisions discount rate(s)	10	86
Audit fees payable to the external auditor:		
- audit services- statutory audit	59	49
- other auditor remuneration (external auditor only)	12	87
Internal audit costs	77	82
Clinical negligence*	15,755	14,307
Legal fees	16	124
Insurance	52	75
Research and development	259	296
Education and training	270	375
Rentals under operating leases	259	139
Hospitality	1	1
Losses, ex gratia and special payments	0	25
Other services, eg external payroll	88	90
Other	1,980	1,030
<b>Total operating expenditure</b>	<b>115,262</b>	<b>112,229</b>

\* The clinical negligence costs relates to the Trust's contribution to the NHS Resolution risk pooling scheme under which the Trust pays an annual contribution.

#### Note 4.2 Other auditor remuneration

	2017/18 £000	2016/17 £000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the Trust	0	0
2. Audit-related assurance services	12	10
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
8. Other non-audit services not falling within items 2 to 7 above	0	77
<b>Total other auditor remuneration</b>	<b>12</b>	<b>87</b>

#### Note 4.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2016/17: £1m).

Auditor's liability is limited with regard to the following:

Limitation period - Any claim must be brought no later than two years after the claimant should have been aware of the potential claim and, in any event, no later than four years after any alleged breach.

Liability - Total liability (including interest) for all claims connected with the services (including but not limited to negligence) is limited to three times the fees payable for the services or £1m, whichever is the greater.

#### Note 5 Impairment of assets

There were no impairment of assets during the 2017/18 financial year (2016/17 £nil).

#### Note 6 Employee benefits

##### Note 6.1 Employee benefits comprise:

	2017/18 Total £000	2016/17 Total £000
Salaries and wages	55,287	54,951
Social security costs	4,474	4,485
Apprenticeship levy	219	0
Employer's contributions to NHS pensions	5,694	5,584
Pension cost - other	6	5
Termination benefits	111	222
Temporary staff (including agency)	853	1,252
<b>Total staff costs</b>	<b>66,644</b>	<b>66,499</b>
<b>Of which</b>		
Costs capitalised as part of assets	210	578

## Note 6.2 Retirements due to ill-health

During 2017/18 there was 1 early retirement from the Trust agreed on the grounds of ill-health (1 in 2016/17). The estimated additional pension liabilities of these ill-health retirements is £98k (£13k in 2016/17).

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

## 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](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### b) Full actuarial (funding) valuation

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

The 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 employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

## Note 8 Operating leases

### Note 8.1 Liverpool Women's NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where the Trust is the lessor.

The minimum lease receipts relate to rental income due to the Trust.

	2017/18 £000	2016/17 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	371	232
<b>Total</b>	<b>371</b>	<b>232</b>

	31 March 2018 £000	Restated * 31 March 2017 £000
<b>Future minimum lease receipts due:</b>		
- not later than one year;	95	95
- later than one year and not later than five years;	379	379
- later than five years.	2,790	2,884
<b>Total</b>	<b>3,264</b>	<b>3,358</b>

\* The 31st March 2017 figures have been restated to disclose the additional minimum lease receipts due from the University of Liverpool in relation to premises the Centre for Better Births occupies on the Trust site.

### Note 8.2 Liverpool Women's NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where the Trust is the lessee.

All operating leases relate to lease cars, vending machines, photocopiers, printers and water fountains.

	2017/18 £000	2016/17 £000
<b>Operating lease expense</b>		
Minimum lease payments	259	139
<b>Total</b>	<b>259</b>	<b>139</b>

	31 March 2018 £000	31 March 2017 £000
<b>Future minimum lease payments due:</b>		
- not later than one year;	114	111
- later than one year and not later than five years;	386	72
- later than five years.	0	0
<b>Total</b>	<b>500</b>	<b>183</b>

### Note 9 Finance income

Finance income represents interest received on bank account interest in the period.

	2017/18	2016/17
	£000	£000
Interest on bank accounts	24	16
<b>Total</b>	<b>24</b>	<b>16</b>

### Note 10 Finance expenditure

#### Note 10.1 Finance expenditure comprises:

Finance expenditure represents interest charges involved in the borrowing of money.

	2017/18	2016/17
	£000	£000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	260	225
<b>Total interest expense</b>	<b>260</b>	<b>225</b>
Unwinding of discount on provisions	1	7
<b>Total finance costs</b>	<b>261</b>	<b>232</b>

#### Note 10.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

No payments were made for the late payment of commercial debts (2016/17: £nil)

### Note 11 Other gains / (losses)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	1	0
Losses on disposal of assets	0	(2)
<b>Total gains / (losses) on disposal of assets</b>	<b>1</b>	<b>(2)</b>

### Note 12 Intangible assets

#### Note 12.1 Intangible assets - 2017/18

	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2017 - brought forward	1,058	1,058
Additions	44	44
Disposals	(48)	(48)
<b>Gross cost at 31 March 2018</b>	<b>1,054</b>	<b>1,054</b>
Amortisation at 1 April 2017 - brought forward	585	585
Provided during the year	239	239
Disposals	(48)	(48)
<b>Amortisation at 31 March 2018</b>	<b>776</b>	<b>776</b>

Net book value at 31 March 2018

278	278
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Net book value at 1 April 2017

473	473
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#### Note 12.2 Intangible assets - 2016/17

	Software licences £000	Total £000
Valuation / gross cost at 1 April 2016 - brought forward	1,050	1,050
Additions	22	22
Disposals	(14)	(14)
Valuation / gross cost at 31 March 2017	1,058	1,058
Amortisation at 1 April 2016 - brought forward	404	404
Provided during the year	195	195
Disposals	(14)	(14)
Amortisation at 31 March 2017	585	585
Net book value at 31 March 2017	473	473
Net book value at 1 April 2016	646	646

#### Note 12.3 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
Software licences	1	5

## Note 13 Property, plant and equipment

### Note 13.1 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	4,000	55,588	300	1,381	23,099	12,986	582	97,936
Additions	0	1,922	0	224	1,181	1,769	49	5,145
Revaluations	365	1,891	0	0	0	0	0	2,256
Reclassifications	0	283	0	(1,186)	0	377	526	0
Disposals	0	0	0	0	(555)	0	0	(555)
Valuation/gross cost at 31 March 2018	4,365	59,684	300	419	23,725	15,132	1,157	104,782
Accumulated depreciation at 1 April 2017 - brought forward	0	0	0	0	17,655	8,129	461	26,245
Provided during the year	0	873	5	0	1,390	1,927	103	4,298
Revaluations	0	(873)	(5)	0	0	0	0	(878)
Disposals	0	0	0	0	(423)	0	0	(423)
Accumulated depreciation at 31 March 2018	0	0	0	0	18,622	10,056	564	29,242
Net book value at 31 March 2018	4,365	59,684	300	419	5,103	5,076	593	75,540
Net book value at 1 April 2017	4,000	55,588	300	1,381	5,444	4,857	121	71,691



Note 13.2 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2016 - brought forward</b>	<b>4,000</b>	<b>54,035</b>	<b>270</b>	<b>0</b>	<b>22,173</b>	<b>11,302</b>	<b>570</b>	<b>92,350</b>
Additions	0	260	0	1,381	1,592	1,696	72	5,001
Revaluations	0	1,310	30	0	0	0	0	1,340
Disposals / derecognition	0	(17)	0	0	(666)	(12)	(60)	(755)
<b>Valuation/gross cost at 31 March 2017</b>	<b>4,000</b>	<b>55,588</b>	<b>300</b>	<b>1,381</b>	<b>23,099</b>	<b>12,986</b>	<b>582</b>	<b>97,936</b>
<b>Accumulated depreciation at 1 April 2016 - brought forward</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,326</b>	<b>6,294</b>	<b>427</b>	<b>23,047</b>
Provided during the year	0	866	8	0	1,491	1,837	38	4,240
Revaluations	0	(866)	(8)	0	0	0	0	(874)
Disposals/ derecognition	0	0	0	0	(162)	(2)	(4)	(168)
<b>Accumulated depreciation at 31 March 2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,655</b>	<b>8,129</b>	<b>461</b>	<b>26,245</b>
<b>Net book value at 31 March 2017</b>	<b>4,000</b>	<b>55,588</b>	<b>300</b>	<b>1,381</b>	<b>5,444</b>	<b>4,857</b>	<b>121</b>	<b>71,691</b>
<b>Net book value at 1 April 2016</b>	<b>4,000</b>	<b>54,035</b>	<b>270</b>	<b>0</b>	<b>5,847</b>	<b>5,008</b>	<b>143</b>	<b>69,303</b>

Note 13.3 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2018</b>								
Owned - purchased	4,365	59,523	300	419	5,103	5,076	593	75,379
Owned - donated	0	161	0	0	0	0	0	161

Net book value at 31 March 2018	4,365	59,684	300	419	5,103	5,076	593	75,540
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#### Note 13.4 Property, plant and equipment financing - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2017</b>								
Owned - purchased	4,000	55,474	300	1,381	5,444	4,857	121	71,577
Owned - donated	0	114	0	0	0	0	0	114
<b>Net book value at 31 March 2017</b>	<b>4,000</b>	<b>55,588</b>	<b>300</b>	<b>1,381</b>	<b>5,444</b>	<b>4,857</b>	<b>121</b>	<b>71,691</b>

#### Note 13.5 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	0
Buildings, excluding dwellings	35	79
Dwellings	63	63
Plant & machinery	1	10
Information technology	1	5
Furniture & fittings	1	10

#### Note 14 Investments in associates and joint ventures

	2017/18 £000	2016/17 £000
Carrying value at 1 April - brought forward	0	10
Share of loss	0	(10)
Carrying value at 31 March	<u>0</u>	<u>0</u>

#### Note 15 Disclosure of interests in other entities

A Joint Venture Agreement between the Trust and King's 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 are shared between the Trust and KCH on a 50 / 50 basis. The Joint Venture ceased on 30 November 2016 and the brought forward profit was written off and the Joint Venture disposed of. The transactions in the accounts of the Trust are disclosed in note 14.

The gross assets of the Joint Venture shared between the Trust and KCH are £nil at the balance sheet date (2016/17: £nil).

#### Note 16 Inventories

	31 March 2018 £000	Restated 31 March 2017 £000
Drugs	226	189
Consumables	184	158
Energy *	42	19
Total inventories	<u>452</u>	<u>366</u>

Inventories recognised in expenses for the year were £1,800k (2016/17: £1,813k). Write-down of inventories recognised as expenses for the year was £nil (2016/17: £nil).

\*The 31st March 2017 figures have been recategorised to reflect the amount of boiler and generator fuel stock held within the Energy category.

#### Note 17 Receivables

##### Note 17.1 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Trade receivables	3,354	3,010
Accrued income	2,520	3,406
Provision for impaired receivables	(970)	(532)
Deposits and advances	3	5
Prepayments (non-PFI)	1,234	1,313
VAT receivable	354	28
Other receivables	1,912	971
Total current trade and other receivables	<u>8,407</u>	<u>8,201</u>

None of the receivable balances are secured. Amounts are generally due within 30 days and will be settled in cash.

	31 March 2018 £000	31 March 2017 £000
<b>Non-current</b>		
Provision for impaired receivables	(36)	(27)
Prepayments (non-PFI)	372	434
Other receivables	159	117
<b>Total non-current trade and other receivables</b>	<b>495</b>	<b>524</b>

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 17.2 Provision for impairment of receivables

	2017/18 £000	2016/17 £000
<b>At 1 April</b>	<b>559</b>	<b>574</b>
Increase in provision	690	229
Amounts utilised	(15)	(93)
Unused amounts reversed	(228)	(151)
<b>At 31 March</b>	<b>1,006</b>	<b>559</b>

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 2.2 the provision for the impairment of receivables includes a provision regarding the NHS Injury Scheme of 22.84% to reflect the expected rates of collection (2016/17: 22.94%).

#### Note 17.3 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
<b>Ageing of impaired financial assets</b>				
	£000	£000	£000	£000
0 - 30 days	0	0	0	0
30-60 Days	17	0	26	0
60-90 days	13	0	12	0
90- 180 days	212	0	(1)	0
Over 180 days	764	0	522	0
<b>Total</b>	<b>1,006</b>	<b>0</b>	<b>559</b>	<b>0</b>
<b>Ageing of non-impaired financial assets past their due date</b>				
0 - 30 days	1,003	0	882	0
30-60 Days	408	0	561	0

60-90 days	73	0	206	0
90- 180 days	480	0	248	0
Over 180 days	1,039	0	1,188	0
<b>Total</b>	<b>3,003</b>	<b>0</b>	<b>3,085</b>	<b>0</b>

The Trust has no concerns over the credit quality of the receivables shown above that are neither past due nor impaired.

## Note 18 Cash and cash equivalents

### Note 18.1 Cash and cash equivalents movements

	2017/18	2016/17
	£000	£000
<b>At 1 April</b>	<b>4,897</b>	<b>3,225</b>
Net change in year	1,116	1,672
<b>At 31 March</b>	<b>6,013</b>	<b>4,897</b>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	53	50
Cash with the Government Banking Service	5,960	4,847
<b>Total cash and cash equivalents as in Statement of Financial Position</b>	<b>6,013</b>	<b>4,897</b>
Bank overdrafts (GBS and commercial banks)	0	0
Drawdown in committed facility	0	0
<b>Total cash and cash equivalents as in Statement of Cash Flows</b>	<b>6,013</b>	<b>4,897</b>

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 18.2 Third party assets held by the NHS Foundation Trust

Liverpool Women's NHS Foundation Trust held no monies held of patients or other parties at 31 March 2018 (31 March 2017: £nil)

## Note 19 Trade and other payables

	31 March	31 March
	2018	2017
	£000	£000
<b>Current</b>		
Trade payables	2,046	2,471
Capital payables	266	121
Accruals	6,250	5,958
Social security costs	0	(2)
Other taxes payable	0	(2)
PDC dividend payable	9	0
Accrued interest on loans	20	17
Other payables	199	588
<b>Total current trade and other payables</b>	<b>8,790</b>	<b>9,151</b>

None of the payable balances are secured. Amounts are generally due within 30 days and will be settled in cash.

During 2017/18 there was 1 early retirement from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2017). The estimated additional pension liability of these ill-health retirements is £98k (£13k in 2016/17). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

#### Note 20 Other liabilities

	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Deferred income	2,467	1,426
<b>Total other current liabilities</b>	<b>2,467</b>	<b>1,426</b>
<b>Non-current</b>		
Deferred income	1,686	1,717
<b>Total other non-current liabilities</b>	<b>1,686</b>	<b>1,717</b>

#### Note 21 Borrowings

	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Loans from the Department of Health and Social Care	6,212	6,212
<b>Total current borrowings</b>	<b>6,212</b>	<b>6,212</b>
<b>Non-current</b>		
Loans from the Department of Health and Social Care	11,009	10,963
<b>Total non-current borrowings</b>	<b>11,009</b>	<b>10,963</b>

During 2017/18 the Trust arranged a £2.02m Interim Revenue Support Facility to resource the underlying 2017/18 cash deficit of the Trust. This is to be repaid by £0.50m in January 2021 and £1.52m in March 2021 and has an interest rate payable of 1.50%. The Trust also repaid £2.36m of the Interim Revenue Support Facility in relation to the 16/17 Sustainability and Transformation (STF) Quarter 4, Incentive and Bonus Funding received retrospectively in quarter 2 of 2017/18. The Trust has also drawdown £1.0m of the agreed £15.0m Neonatal capital build funding and this is to be repaid in February 2043 and has an interest rate payable of 2.54%.

During 2016/17 the Trust arranged a £3.65m Working Capital Facility with NHS Improvement and the Department of Health to resource the underlying 2016/17 cash deficit of the Trust. This was repaid and converted to an Interim Revenue Support Facility in January 2017 which is to be repaid in January 2020 and has an interest rate payable of 1.50%. An additional Interim Revenue Support Facility of £3.342m was arranged in March 2017 which is to be repaid in March 2020 and also has an interest rate payable of 1.50%.

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 2019 and has an interest rate payable of 1.50%.

During 2014/15 the Trust arranged a £5.5m loan with the Trust Financing Facility. The loan is repayable over 10 years and has an interest rate payable of 2.00%.

## Note 22 Provisions for liabilities and charges

### Note 22.1 Provisions movements:

	Pensions - early departure costs	Legal claims	Re- structuring	Total
	£000	£000	£000	£000
<b>At 1 April 2017</b>	<b>734</b>	<b>2,166</b>	<b>111</b>	<b>3,011</b>
Transfers by absorption	0	0	0	0
Change in the discount rate	10	0	0	10
Arising during the year	1	849	1,861	2,711
Utilised during the year	(61)	(164)	0	(225)
Reclassified to liabilities held in disposal groups	0	0	0	0
Reversed unused	(58)	(825)	(111)	(994)
Unwinding of discount	1	0	0	1
<b>At 31 March 2018</b>	<b>627</b>	<b>2,026</b>	<b>1,861</b>	<b>4,514</b>

<b>Expected timing of cash flows:</b>				
- not later than one year;	61	2,026	1,861	3,948
- later than one year and not later than five years;	244	0	0	244
- later than five years.	322	0	0	322
<b>Total</b>	<b>627</b>	<b>2,026</b>	<b>1,861</b>	<b>4,514</b>

"Pensions - early departure costs" 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 NHS Resolution.

"Re-structurings" provisions have arisen from the outcome of organisational change proposals that are anticipated to be finalised within the next year.

The Contingent Liability for the maximum possible but not probable cost of claims is shown in Note 23.

### Note 22.2 Clinical negligence liabilities

At 31 March 2018, £320,678k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Liverpool Women's NHS Foundation Trust (31 March 2017: £289,457k).

## Note 23 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(24)	(18)
<b>Gross value of contingent liabilities</b>	<b>(24)</b>	<b>(18)</b>
Amounts recoverable against liabilities	0	0
<b>Net value of contingent liabilities</b>	<b>(24)</b>	<b>(18)</b>
<b>Net value of contingent assets</b>	<b>0</b>	<b>0</b>

The NHS Resolution Legal Claim contingent liabilities are in relation to legal claim costs which are unlikely to be payable as notified by NHS Resolution in relation to "Liabilities to Third Parties" (LTPS). The value of Provisions for the expected and probable cases is shown in Note 22.1.

## Note 24 Contractual capital commitments

Contracted capital commitments at the 31st March 2018 not otherwise included in these financial statements are:

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	4,372	1,388
<b>Total</b>	<b>4,372</b>	<b>1,388</b>

The capital commitments as at the 31st March 2018 are in relation to the contractually agreed £0.6m Neonatal capital build project and the £5.0m Global Digital Exemplar Fast Follower project. Both of these capital schemes commenced during the 2017/18 financial year.

## Note 25 Financial instruments

### Note 25.1 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 Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

### Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations and only had negligible foreign currency income or expenditure transactions. The Trust therefore has low exposure to currency rate fluctuations.



### Interest rate risk

The Trust borrows from the Department of Health in the form of the Independent Trust Financing Function (ITFF) and Interim Revenue Support Facility (IRSF). The borrowing is for 10 years and under and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

### Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

### Liquidity risk

The Trust's operating costs are incurred under SLAs with other NHS providers, which are financed from resources voted annually by Parliament. The Trust receives regular monthly payments from CCGs based on an agreed contract value with adjustments made for actual services provided. The Trust funds its capital expenditure from either internally generated funds or PDC made available by the Department of Health. The 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 25.2 Carrying values of financial assets

<b><u>Assets as per SoFP as at 31 March 2018</u></b>	<b>Loans and receivables £000</b>	<b>Total book value £000</b>
Trade and other receivables excluding non financial assets	6,660	6,660
Cash and cash equivalents at bank and in hand	6,013	6,013
<b>Total at 31 March 2018</b>	<b>12,673</b>	<b>12,673</b>
		<b>*Restated</b>
<b><u>Assets as per SoFP as at 31 March 2017</u></b>	<b>Loans and receivables £000</b>	<b>Total book value £000</b>
Trade and other receivables excluding non financial assets*	6,688	6,688
Cash and cash equivalents at bank and in hand	4,897	4,897
<b>Total at 31 March 2017</b>	<b>11,585</b>	<b>11,585</b>

\*The 31st March 2017 Trade and other receivables figures have been restated in accordance with recent guidance issued by NHS Improvement.

### Note 25.3 Carrying value of financial liabilities

<u>Liabilities as per SoFP as at 31 March 2018</u>	Other financial liabilities £000	Total book value £000
Borrowings excluding finance lease and PFI liabilities	17,221	17,221
Trade and other payables excluding non financial liabilities	8,790	9,135
Provisions under contract	4,514	4,514
<b>Total at 31 March 2018</b>	<b>30,525</b>	<b>30,870</b>

<u>Liabilities as per SoFP as at 31 March 2017</u>	Other financial liabilities £000	Total book value £000
Borrowings excluding finance lease and PFI liabilities	17,175	17,175
Trade and other payables excluding non financial liabilities	9,155	9,155
Provisions under contract	3,011	3,011
<b>Total at 31 March 2017</b>	<b>29,341</b>	<b>29,341</b>

### Note 25.4 Maturity of financial liabilities

	31 March 2018 £000	31 March 2017 £000
In one year or less	18,949	17,705
In more than one year but not more than two years	4,017	673
In more than two years but not more than five years	5,148	9,012
In more than five years	2,411	1,951
<b>Total</b>	<b>30,525</b>	<b>29,341</b>

### Note 26 Losses and special payments

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Bad debts and claims abandoned	85	15	108	118
<b>Total losses</b>	<b>85</b>	<b>15</b>	<b>108</b>	<b>118</b>
<b>Total special payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total losses and special payments</b>	<b>85</b>	<b>15</b>	<b>108</b>	<b>118</b>

### Note 27 Events after the reporting date

There are no events after the reporting year which require disclosure.

## Note 28 Related parties

### Ultimate parent

The Trust is a public benefit corporation established under the NHS Act 2006. NHS Improvement (NHSI) formerly Monitor, the Regulator of NHS Foundation Trusts has the power to control the Trust within the meaning of IAS 27 'Consolidated and Separate Financial Statements' and therefore can be considered as the Trust's parent. NHSI does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS Foundation Trust Consolidated Accounts are then included within the Whole of Government Accounts. NHSI is accountable to the Secretary of State for Health. The Trust's ultimate parent is therefore HM Government.

Transactions with related parties are undertaken on a normal commercial basis. During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the 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 Trust does not consolidate the Charitable Trust on the grounds of materiality. As at 31 March 2018, there is an outstanding receivable with the Charitable Trust of £819k (31 March 2016: £479k).

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 of Health is regarded as the parent department.

During the year the Trust has had a significant number of material transactions with the Department of Health and / or other entities for which the Department of Health is regarded as the parent Department. In addition, the Trust has material transactions with other government departments. Transactions and balances with these organisations are disclosed below.

	Receivables		Payables	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Aintree University Hospital NHS Foundation Trust	320	54	250	45
NHS Liverpool CCG	44	5	669	0
NHS South Sefton CCG	0	1	0	282
Health Education England	0	13	69	9
NHS Wirral CCG	0	146	77	0
NHS Halton CCG	0	0	62	43
NHS Warrington CCG	0	53	1	0
NHS Southport and Formby CCG	0	0	0	91
NHS St Helens CCG	0	1	7	0
Royal Liverpool and Broadgreen University Hospitals NHS Trust	178	153	746	876
NHS England - Core	3,535	2,362	2	0
NHS England - North West Specialised Commissioning Hub	101	45	0	0
NHS Resolution (formerly NHS Litigation Authority)	0	0	3	3
NHS Pension Scheme	0	0	0	0
HM Revenue and Customs	354	28	0	(4)
Welsh Health Bodies - Betsi Cadwaladr University Local Health Board	0	0	0	277
	<b>4,532</b>	<b>2,861</b>	<b>1,886</b>	<b>1,622</b>

	Income		Expenditure	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
Aintree University Hospital NHS Foundation Trust	288	186	1,775	1,208
NHS Liverpool CCG	42,602	40,137	0	0
NHS South Sefton CCG	10,433	9,784	0	0
NHS Knowsley CCG	7,181	7,205	0	0
Health Education England	4,936	5,495	1	16
NHS Wirral CCG	2,426	2,736	0	0
NHS Halton CCG	1,361	1,455	0	0
NHS Warrington CCG	1,240	1,515	0	0
NHS Southport and Formby CCG	1,274	1,265	0	0
NHS St Helens CCG	1,137	1,336	0	0
Royal Liverpool and Broadgreen University Hospitals NHS Trust	1,027	920	2,896	3,297
NHS England - Core	5,526	4,462	0	0
NHS England - North West Specialised Commissioning Hub	21,425	18,801	0	0
NHS Resolution (formerly NHS Litigation Authority)	0	0	15,728	14,308
NHS Pension Scheme	0	0	5,694	5,584
HM Revenue and Customs	0	0	4,693	4,485
Welsh Health Bodies - Betsi Cadwaladr University Local Health Board	933	790	0	0
	<u>101,789</u>	<u>96,087</u>	<u>30,787</u>	<u>28,898</u>





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