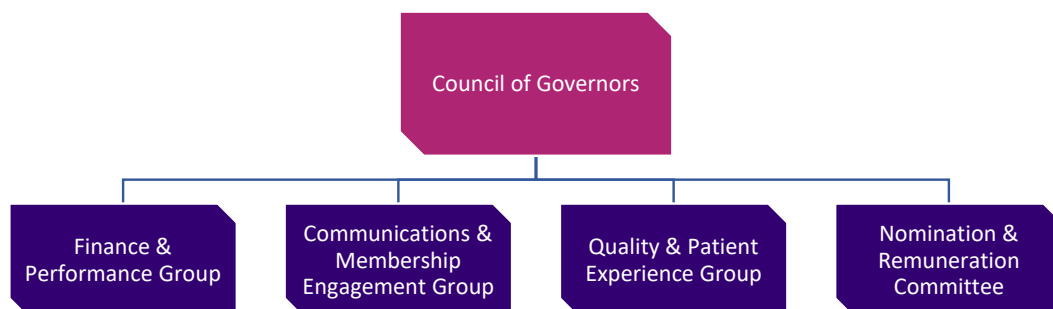




Liverpool Women's
NHS Foundation Trust

Council of Governors

22 July 2021, 5.30pm
Virtual Meeting (via Teams)



Council of Governors - Public

Location	Virtual Meeting
Date	22 July 2021
Time	5.30pm

AGENDA					
Item no.	Title of item	Objectives/desired outcome	Process	Item presenter	Time
20/21/					
PRELIMINARY BUSINESS					
021	Introduction, Apologies & Declaration of Interest	Receive apologies & declarations of interest	Verbal	Chair	17.30 (5 mins)
022	Meeting Guidance Notes	To receive the meeting attendees' guidance notes	Written	Chair	
023	Minutes of the meeting held on 13 th May 2021	Confirm as an accurate record the minutes of the previous meeting(s)	Written	Chair	
024	Action Log and matters arising	Provide an update in respect of on-going and outstanding items to ensure progress	Written	Chair	
025	Annual Report and Accounts 2020/21	To note the Annual Report and accounts and report from the Auditors	Written / Presentation	Trust Secretary / Trust Auditor	1735 (10 mins)
026	Chair's announcements	Announce items of significance not found elsewhere on the agenda	Verbal	Chair	17.45 (15 mins)
027	Chief Executive Report	Report key developments and announce items of significance not found elsewhere on the agenda	Verbal	Chief Executive	18.00 (5 mins)
MATTERS FOR RECEIPT / APPROVAL					
028	Activity Report from the Governor Group Meetings. <ul style="list-style-type: none"> Finance and Performance Group Quality and Patient Experience Group. 	Receive minutes for assurance	Written	Group Chairs	18.05 (10 mins)

	<ul style="list-style-type: none"> Communications and Membership Engagement Group 				
029	Maternity Services – Current Issues and Future Vision	To receive update and participate in discussion	Presentation / Workshop	Chief Nurse & Midwife	18.15 (35 mins)
030	Membership Strategy 2021-25	To approve	Written	Trust Secretary	18.50 (5 mins)
031	Constitution Review	To approve	Written	Trust Secretary	18.55 (5 mins)
CONCLUDING BUSINESS					
032	Review of risk impacts of items discussed	Identify any new risk impacts	Verbal	Chair	19.00 (5 mins)
033	Chair's Log	Identify any Chair's Logs	Verbal	Chair	
034	Any other business & Review of meeting	Consider any urgent items of other business	Verbal	Chair	
Finish Time: 19.05					

Date of Next Meeting: 11 November 2021

Meeting attendees' guidance

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

Before the meeting

- Consider the most appropriate format for your meeting i.e. physical, virtual or hybrid. There are advantages and disadvantages to each format, and some lend themselves to particular meetings better than others. Please seek guidance from the Corporate Governance Team if you are unsure.

General considerations:

- Submit any reports scheduled for consideration at least 8 days before the meeting to the meeting administrator. Remember to try and answer the 'so what' question and avoid unnecessary description. It is also important to ensure that items/papers being taken to the meeting are clear and provide a proposal/recommendation to reduce unnecessary discussion time at the meeting.
- Ensure your apologies are sent if you are unable to attend and *arrange for a suitable deputy to attend in your absence
- Prepare for the meeting in good time by reviewing all reports
- Notify the Chair in advance of the meeting if you wish to raise a matter of any other business

*some members may send a nominated representative who is sufficiently senior and has the authority to make decisions. Refer to the terms of reference for the committee/subcommittee to check whether this is permitted.

Virtual / Hybrid Meetings via Microsoft Teams and other digital platforms

- For the Chair / Administrators:
 - Ensure that there is a clear agenda with breaks scheduled if necessary
 - Make sure you have a list of all those due to attend the meeting and when they will arrive and leave.
 - Have a paper copy of the agenda to hand, particularly if you are having to host/control the call and refer to the rest of the meeting pack online.
 - If you are the host or leader for the call, open the call 10-15 minutes before the start time to allow everyone to join in an orderly way, in case there are any issues.
 - At the start of the call, welcome everyone and run a roll call/introduction - or ask the meeting administrator to do this. This allows everyone to be aware of who is present.
 - Be clear at the beginning about how long you expect the meeting to last and how you would like participants to communicate with you if they need to leave the meeting at any point before the end.
- General Participants
 - Arrive in good time to set up your laptop/tablet for the virtual meeting
 - Switch mobile phone to silent
 - Mute your screen unless you need to speak to prevent background noise
 - Only the Chair and the person(s) presenting the paper should be unmuted
 - Remember to unmute when you wish to speak

- Use headphones if preferred
- Use multi electronic devices to support teams.
- You might find using both mobile and laptops is useful. One for Microsoft teams and one for viewing papers

At the meeting

General Considerations:

- For the Chair:
 - The chair will assume that all members come prepared to discuss agenda items having read through supporting papers, this obviates the need for leads to take up valuable time presenting their papers.
 - The chair will allow a free ranging debate and steer discussions to keep members on track whilst at the same time not being seen to overly influence the outcome of the debate.
 - The chair will provide a brief summary following presentation and discussion of the paper, confirming any key risks and / or assurances identified and whether there are any matters for the Chair's log.
 - The chair will question leads when reports have not been submitted within the Trust's standard template or within the required timeframe.
 - Ensure that correct people are in the room to 'form the meeting' with other attendees invited to attend only when presenting their item.
- General Participants:
 - Focus on the meeting at hand and not the next activity
 - Actively and constructively participate in the discussion
 - Think about what you want to say before you speak; explain your ideas clearly and concisely and summarise if necessary
 - Make sure your contributions are relevant and appropriate
 - Respect the contributions of other members of the group and do not speak across others
 - Ensure you understand the decisions, actions, ideas and issues agreed and to whom responsibility for them is allocated
 - Do not use the meeting to highlight issues that are not on the agenda that you have not briefed the chair as AoB prior to the meeting
 - Re-group promptly after any breaks
 - Take account of the Chair's health, safety and fire announcements (fire exits, fire alarm testing, etc)
 - Consent agenda items, taken as read by members and the minutes will reflect recommendations from the paper. Comments can still be made on the papers if required but should be flagged to the Chair at the beginning of the meeting.

Virtual / Hybrid Meetings via Microsoft Teams and other digital platforms

- For the Chair:
 - Make sure everyone has had a chance to speak, by checking at the end of each item if anyone has any final points. If someone has not said anything you might ask them by name, to ensure they have not dropped off the call or assist them if they have not had a chance to speak. In hybrid meetings, it can be useful to ask the 'virtual' participants to speak first.

- Remember to thank anyone who has presented to the meeting and indicate that they can leave the meeting. It can be easy to forget this if you can't see them.
- General Participants:
 - Show conversation: open this at start of the meeting.
 - This function should be used to communicate with the Chair and flag if you wish to make comment
 - Screen sharing
 - If you wish to share a live document from your desktop click on share and identify which open document you would like others to view

Attendance

Members are expected to attend at least 75% of all meetings held each year

After the meeting

- Follow up on actions as soon as practicably possible
- Inform colleagues appropriately of the issues discussed

Standards & Obligations

1. All documentation will be prepared using the standard Trust templates. A named person will oversee the administrative arrangements for each meeting
2. Agenda and reports will be issued 7 days before the meeting
3. An action schedule will be prepared and circulated to all members 5 days after the meeting
4. The draft minutes will be available at the next meeting
5. Chair and members are also responsible for the committee/ subcommittee's compliance with relevant legislation and Trust policies
6. It is essential that meetings are chaired with an open and engaging ethos, where challenge is respectful but welcomed
7. Where consensus on key decisions and actions cannot be reached this should be noted in the minutes, indicating clearly the positions of members agreeing and disagreeing – the minute should be sufficiently recorded for audit purposes should there need to be a requirement to review the minutes at any point in the future, thereby safeguarding organisational memory of key decisions
8. Committee members have a collective duty of candour to be open and honest both in their discussions and contributions and in proactively at the start of any meeting declaring any known or perceived conflicts of interest to the chair of the committee
9. Where a member of the committee perceives another member of the committee to have a conflict of interest, this should be discussed with the chair prior to the meeting
10. Where a member of the committee perceives that the chair of the committee has a conflict of interest this should be discussed with the Trust Secretary
11. Where a member(s) of a committee has repeatedly raised a concern via AoB and subsequently as an agenda item, but without their concerns being adequately addressed the member(s) should give consideration to employing the Whistle Blowing Policy
12. Where a member(s) of a committee has exhausted all possible routes to resolve their concerns consideration should be given (which is included in the Whistle Blowing Policy) to contact the Senior Independent Director to discuss any high-level residual concerns. Given the authority of the SID it would be inappropriate to escalate a non-risk assessed issue or a risk assessed issue with a score of less than 15

13. Towards the end of the meeting, agendas should carry a standing item that requires members to collectively identify new risks to the organisation – it is the responsibility of the chair of the committee to ensure, follow agreement from the committee members, these risks are documented on the relevant risk register and scored appropriately

Speak well of NHS services and the organisation you work for and speak up when you have Concerns

Page 129 Handbook to the NHS Constitution 26th March 2013

Council of Governors

Minutes of the Council of Governors
held virtually at 1730hrs on Thursday 13 May 2021

PRESENT

Robert Clarke	Chair
Cynthia Dowdle	Appointed Governor (Faith Organisations)
Valerie Fleming	Appointed Governor (University)
Kate Hindle	Staff Governor (Admin & Clerical)
Rebecca Holland	Staff Governor (Nursing)
Evie Jefferies	Public Governor (Rest of England & Wales)
Kiran Jilani	Staff Governor (Doctors)
Peter Norris	Public Governor (Central Liverpool)
Denise Richardson	Public Governor (Rest of England & Wales)
Jackie Sudworth	Public Governor (Knowsley)
Yaroslav Zhukovskyy	Public Governor (Sefton)

IN ATTENDANCE

Ian Knight	Non-Executive Director
Jenny Hannon	Director of Finance
Kathryn Thomson	Chief Executive
Mark Grimshaw	Trust Secretary
Gary Price	Director of Operations
Michelle Turner	Chief People Officer
Marie Forshaw	Director of Nursing & Midwifery
Tony Okotie	Non-Executive Director
Louise Hardman	Research and Development Manager
Lynn Greenhalgh	Medical Director
Louise Martin	Non-Executive Director
Susan Milner	Non-Executive Director
Jo Moore	Non-Executive Director
Louise Hope	Assistant Trust Secretary (minutes)

APOLOGIES:

Maria Culligan	Staff Governor (AHP)
Pauline Kennedy	Staff Governor (Midwives)
Sara Miceli-Fagrell	Public Governor (South Liverpool)
Mary McDonald	Appointed Governor (Community/voluntary/orgs)
Mary Doddridge	Public Governor (Central Liverpool)
Carole McBride	Public Governor (Sefton)
Angela Coleman	Appointed Governor (Liverpool Council)
Patricia Hardy	Appointed Governor (Sefton Council)
Tracy Ellery	Non-Executive Director
Louise Kenny	Non-Executive Director

Core members	May	July	Nov	Feb	Mar
Thania Islam	X				
Mary Doddridge	A				
Peter Norris	✓				
Carol Darby-Darton	X				
Si Jones	X				
Sara Miceli-Fagrell	A				

Carole McBride	A				
Yaroslav Zhukovskyy	✓				
Rev Anne Lawler	A				
Jackie Sudworth	✓				
Denise Richardson	✓				
Evie Jefferies	✓				
Kiran Jilani	✓				
Rebecca Holland	✓				
Pauline Kennedy	A				
Maria Culligan	A				
Kate Hindle	✓				
Cllr Angela Coleman	A				
Cllr Patricia Hardy	A				
Rev. Cynthia Dowdle	✓				
Mary McDonald	A				
Valarie Fleming	✓				

21/22/	
01	Introduction, Apologies & Declaration of Interest No new declarations received.
02	Meeting Guidance Notes Noted.
03	Minutes of previous meeting held on 11 February 2021 The minutes of the previous meeting were reviewed by the Committee and agreed as an accurate record.
04	Action Log and matters arising The action log was reviewed. See minute 21/22/08 for an update against action 19/20/74.
05	<p>Chair's announcements</p> <p>The Council had received a video update to view prior to the meeting to allow for discussion at the virtual Council meeting.</p> <p>The Chair welcomed Louise Martin, new Non-Executive Director, Rebecca Holland, new Staff Governor representing Nursing, and Maria Culligan, new Staff Governor representing Allied Health Professionals to the Council.</p> <p>Louise Martin, Non-Executive Director introduced herself to the Council providing information on her working background and her interest in service quality and sustainability in the NHS.</p> <p>The Chair noted the following:</p> <ul style="list-style-type: none"> Integrated Care System – Trust continued involvement related to developments. The Governors would remain updated. Chair and NED Appraisals – process underway and governors encouraged to provide feedback to inform the appraisal process <p>The Council of Governors:</p> <ul style="list-style-type: none"> Received and noted the briefing from the Chair.
06	<p>Chief Executive Report</p> <p>The Chief executive noted the following:</p> <ul style="list-style-type: none"> Covid-19 update – staff vaccination uptake continued to be positive. The Trust had welcomed back staff who had been shielding who each had a risk assessment to ensure they were appropriately supported back into work.

	<ul style="list-style-type: none"> • Our Strategy – the Strategy had been formally launched and publicly available on the Trust website. The Chief Executive thanked the Governors for their involvement to inform and develop the Strategy. • Senior Manager Appointments – the Council noted recent senior appointments within the organisation. (Dan Nash, Deputy Director of Operations; Nashaba Ellahi, Deputy Director of Nursing & Midwifery; Andrew Drakeley, Deputy Medical Director) <p>The Council of Governors:</p> <ul style="list-style-type: none"> • Received and noted the briefing from the Chief Executive.
07	<p>Activity Report from the Governor Group Meetings.</p> <ul style="list-style-type: none"> • Finance and Performance Group No additional update since the last meeting held in January 2021. The revised Chair Report template was noted to be a constructive change which allowed governors to review discussions and gain assurance more effectively • Quality and Patient Experience Group (QPEG) held 26 April 2021 Denise Richardson, Public Governor (on behalf of the Group Chair) reported that an effective meeting had been held summarising the Quality and Putting People First Committee business. She advised that a breakout session took place as an opportunity to consider issues related to the continuity of carer and workforce issues in greater detail. <p>The Council supported the request for the QPEG to receive a similar session and oversight in relation to the Ockenden review and recommendations. The Chair suggested a wider discussion on maternity issues, to incorporate the Ockenden review, Local Maternity System (LMS) hosting arrangements, and the Chief Executives' role as the Senior Responsible Owner (SRO) for the C&M LMS system. The Chief Executive agreed to invite the LMS Programme Director to attend a future Council meeting.</p> <p>Action: invite LMS Programme Director to attend a future Council meeting to provide an update.</p> <ul style="list-style-type: none"> • Communications and Membership Engagement Group held 29 April 2021 Cynthia Dowdle, Appointed Governor informed the Council of a disappointing response rate to the recent mailout requesting members to update their details and confirm their chosen level of engagement. It was noted that this would be an ongoing process and communications would continue. The Council was asked to consider the calendar of events and provide any further suggestions that would engage members. <p>The Council of Governors:</p> <ul style="list-style-type: none"> • Received and noted the reports from the Governor Sub-Group meetings. <p><i>Kiran Jilani joined the meeting at this point.</i></p>
08	<p>Research and Development Strategy</p> <p>The Council received a presentation led by the Medical Director which detailed an overview of Research and Development performance during 2020/21, challenges faced due to Covid-19 and key achievements. The Medical Director informed the Council that research programmes had been reprioritised to deliver Covid-19 research activity and adjust to a reduction of staff within the research team as they returned to clinical duties to back fill staffing shortages.</p> <p>A workshop was facilitated which consisted of three groups including Governor and Board members to consider three questions: How to participate; How to promote; Further areas to focus in research:</p> <p>The following key points were noted against the respective questions:</p>

- Promote benefits of participation
- Maximise benefits of research as demonstrated by Covid-19 vaccination research
- Flexibility and ease to participate
- Behind the scenes event: Individuals tell their story why they took part in research to promote to others
- Approach target groups for research programmes
- Use of different media to publicise research programmes
- Representation of LWH as a research site should be promoted nationally
- Suggested focus areas included: menopause; ovarian cancer; health inequalities; multiple medications and pregnancy.
- Listen to women's voices to empower
- Make use of national media campaigns, e.g. Menopause

The Chief Executive provided an update in relation to the Children Growing Up in Liverpool (C-GULL) study which would trace the lives of over 10,000 Liverpoolians to understand more about what influences the health and wellbeing of children and their families living in the region. She noted that this was an important study due to the increase in health inequalities and infant mortality in the region. The Research and Development Manager informed the Council that women chosen to participate would be patients at Liverpool Women's Hospital and the study would commence from pregnancy onwards. The Trusts active participation would be limited to the first four years of the study, to cover pre-natal, neonatal and post-natal care, at which point other specialities would be interested to take forward the study. The Research and Development Manager advised that they hoped to run a pilot study during Summer 2021 and launch in April 2022. Jackie Sudworth, Public Governor queried funding arrangements for the study. The Research and Development Manager responded that the University of Liverpool would manage the funding aspects and that the study had attracted funding from research councils, charities, and commercial companies.

The Council of Governors:

- noted the update for information and assurance.

Jo Moore joined the meeting at this point. Marie Forshaw, Valerie Fleming and Louise Hardman left the meeting at this point

09

2020/21 Year-End Update

The Council received a presentation led by the Director of Finance which detailed the Annual Report and Accounts 2020/21, Quality Account and provider licence.

- **Annual Report & Accounts progress**

The Director of Finance informed the Council of amendments to the requirements and timescales of the annual report and accounts 2020/21 due to Covid-19. She advised that the Trust had decided to include a Quality Account as an opportunity to formally document quality improvements despite no requirement to publish a Quality Report as part of the Annual Report. The Council would receive the Annual Report and Accounts after they had been laid before parliament.

- **Provider Licence – Governor Assurance**

The Trust Secretary explained that the Trust needed to self-certify against three licence conditions; 1) it had taken all precautions to comply with the licence (condition number G6) 2) complied with the required governance arrangements (FT4) 3) had resources to continue to deliver a commissioner requested service (CoS7). The Board Committee Chairs referred the Council to slides 8-11 of the presentation which provided a summary of assurances received by the Board Committees during 2020/21 as assurance of compliance with the provider licence framework. The Council was asked to consider the assurances provided.

The Council agreed with the Board of Directors suggested position of compliance against the licence conditions.

	<ul style="list-style-type: none"> • Financial performance and budget The Director of Finance updated the Council on the financial performance 2020/21 and the financial forecast for 2021/22. The Chair had been assured that the Executive Team and senior leaders had sights on the key issues which required various action to support stability across the system. Denise Richardson, Public Governor noted the risk for all trusts across Cheshire and Merseyside to achieve a breakeven position which required positive collaboration and the positioning of a small trust accessing funding in the new financial regime. The Director of Finance responded that the Executive Team had raised similar concerns but they had been encouraged by system working and the commitment from Cheshire and Merseyside partners. <p>The Council of Governors:</p> <ul style="list-style-type: none"> • assured by the update; • agreed the Provider Licence self-assessment
10	<p>Review of risk impacts of items discussed</p> <p>The following risk impacts were noted:</p> <ul style="list-style-type: none"> • Financial & Performance metrics: potential impact on finance and performance measures going forward and an unknown financial regime • Uncertainty relating to financial planning 21/22 • Estates and Facilities compliance • Information Governance Training compliance • Operational plan not finalised, emerging risk as already at end of M1 <p>No changes to existing risks were identified as a result of business conducted during the meeting.</p>
11	<p>Any other business & Review of meeting</p> <p>Difficulties with virtual technology noted.</p>

Action Log

Council of Governors - Public

July 2021

Key	Complete	On track	Risks identified but on track	Off Track
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Meeting Date	Ref	Agenda Item	Action Point	Owner	Action Deadline	RAG Open/Closed	Comments / Update
13 February 2020	19/20/74	Chief Executive's Update	Council of Governors to receive a presentation on the C-Gull Research Project	Trust Secretary	November 2020 February 2022	On Track	Trust Secretary has contacted the University of Liverpool regarding the production of publicity material for the C-Gull Project. Informed that this remains in development and will be circulated when available. Council received an update on 13 May 2021, item 21/22/08 noting a pilot study to be launched during Summer 2021 and official launch in April 2022. Proposed to move target date to February 2022.
13 May 2021	21/22/07	Activity Report from the Governor Group Meetings.	Invite LMS Programme Director to attend a future Council meeting to provide an update on wider maternity issues, incorporate Ockenden review, LMS work with LWH.	Trust Secretary	November 2021	On track	To be scoped during discussion on July 21 agenda.

Council of Governors

COVER SHEET

Agenda Item (Ref)	2021/22/25		Date: 22/07/2021	
Report Title	Annual Report and Accounts 2020/21			
Prepared by	Mark Grimshaw, Trust Secretary			
Presented by	Mark Grimshaw, Trust Secretary			
Key Issues / Messages	The Council of Governors is asked to receive the Annual Report and Accounts for the year ended 31 March 2021.			
Action required	Approve <input type="checkbox"/>	Receive <input checked="" type="checkbox"/>	Note <input type="checkbox"/>	Take Assurance <input type="checkbox"/>
	To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board / Committee or Trust without formally approving it	For the intelligence of the Board / Committee without in-depth discussion required	To assure the Board / Committee that effective systems of control are in place
	Funding Source (If applicable): N/A			
	For Decisions - in line with Risk Appetite Statement – Y If no – please outline the reasons for deviation.			
	The Council of Governors is asked to receive the Annual Report and Accounts for the year ended 31 March 2021.			
Supporting Executive:	Mark Grimshaw, Trust Secretary			

Equality Impact Assessment (if there is an impact on E,D & I, an Equality Impact Assessment MUST accompany the report)			
Strategy <input type="checkbox"/>	Policy <input type="checkbox"/>	Service Change <input type="checkbox"/>	Not Applicable <input checked="" type="checkbox"/>
Strategic Objective(s)			
To develop a well led, capable, motivated and entrepreneurial workforce	<input type="checkbox"/>	To participate in high quality research and to deliver the most effective Outcomes	<input type="checkbox"/>
To be ambitious and efficient and make the best use of available resource	<input type="checkbox"/>	To deliver the best possible experience for patients and staff	<input type="checkbox"/>
To deliver safe services	<input type="checkbox"/>		
Link to the Board Assurance Framework (BAF) / Corporate Risk Register (CRR)			
Link to the BAF (positive/negative assurance or identification of a control / gap in control) Copy and paste drop down menu if report links to one or more BAF risks 5.2 Failure to fully implement the CQC well-led framework throughout the Trust, achieving maximum compliance and delivering the highest standards of leadership		Comment:	
Link to the Corporate Risk Register (CRR) – CR Number: N/A		Comment:	

REPORT DEVELOPMENT:

Committee or meeting report considered at:	Date	Lead	Outcome
N/A			

EXECUTIVE SUMMARY

This report is submitted to the Council of Governors to present the final Annual Report and Accounts for 2020/21. This follows external audit review completed by KPMG and subsequent approval by the Board of Directors.

MAIN REPORT

Background

This report presents the Trust's Annual Report and Accounts for the year ended 31 March 2021. The report follows the submission of the Annual Report and Accounts to NHS Improvement in June and to Parliament in July 2020.

The Annual Report and Accounts includes the following:

- a) overview of the Trust including risk management;
- b) a performance report / overview;
- c) an accountability report including the annual governance statement;
- d) Quality Report (included in this year's Annual Report – last year this was published separately due to the pressures of the pandemic)
- e) the annual accounts for 2020/21.

The Annual Report and Accounts 2020/21 can be viewed on the Trust website <https://www.liverpoolwomens.nhs.uk/about-us/corporate-documents/>

As part of the external audit, the Trust's external auditor provides a year-end report (known as a ISA260) and an Annual Audit Report. These outline the scope of the audit, the work undertaken and the overall findings. The Trust's external auditor will be in attendance at the meeting to present their key findings and the presentation slides follow this report.

Governors may find the document on the following link as a guide to the Annual Report and Accounts process (it is a little out of date in terms of the changes following the pandemic but still serves as a useful guide)

<https://nhsproviders.org/media/1078/annual-report-and-accounts-guide-for-gov.pdf>

Recommendation

The Council of Governors is asked to receive the Annual Report and Accounts for the year ended 31 March 2021.



Governors' presentation

Liverpool Women's NHS Foundation Trust

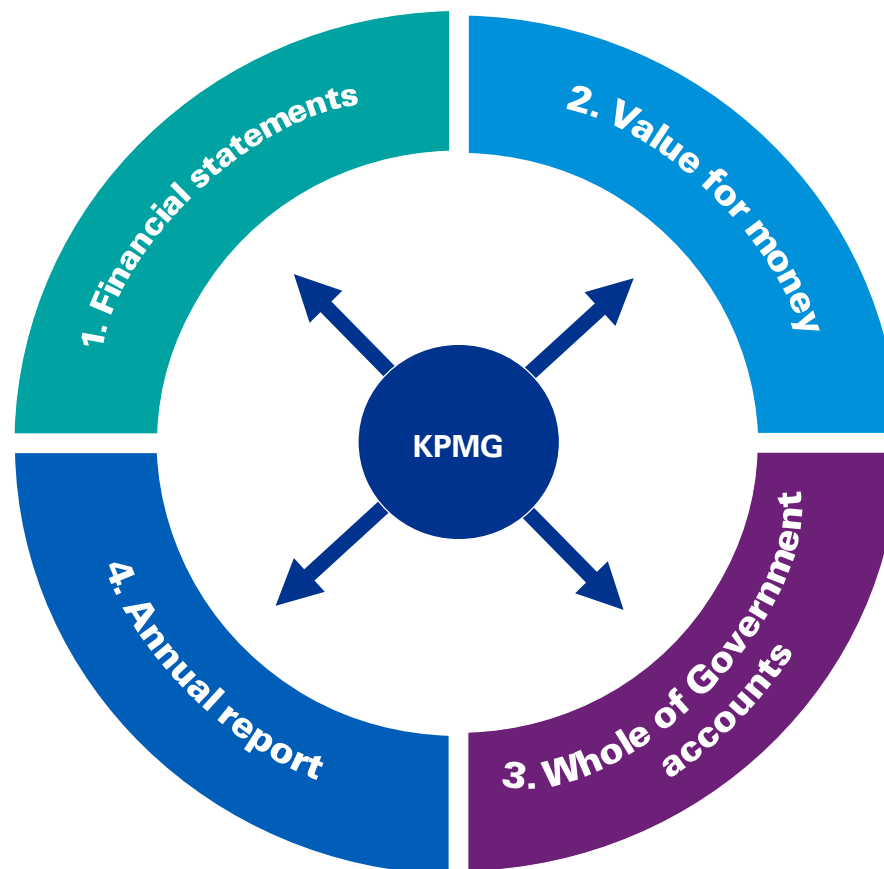
2020-21 Council of Governors' meeting

July 2021

Agenda

- **Our responsibilities**
- **Headlines from our work 2020/21**

Our responsibilities



The Limited assurance opinion on the quality report was not applicable in 2020/21 with arrangements cancelled due to the Covid-19 pandemic.

Auditor's Annual Report

Requirements

- *Report prepared in line with requirements of the Code of Audit Practice published by the National Audit Office*
- *Public facing document to be published alongside the Trust's annual report and accounts on the Trust's website*

- ✓ The report summarises the findings and key issues arising from our audit.
- ✓ Includes the detailed commentary from the completion of our value for money assessment.

1. Financial statements

Requirements

- *The accounts are properly prepared in accordance with accounting standards*
- *The accounts give a true and fair view of the financial performance and position of the Trust.*

Trust outcome

- ✓ We issued an unqualified opinion in 2020/21.
- ✓ Means that the accounts give a true and fair view of the Trust's performance during the year and of its year end financial position.
- ✓ Four unadjusted audit differences, below materiality in aggregate, which were accruals that we don't believe meet the criteria to be recognised as such at the year end.
- ✓ Three adjusted audit differences. Two of which were relating to the classification of liabilities on the balance sheet. One of which was deferred income and a corresponding debtor relating to the 2021/22 financial year that should not have been recognised in year.
- ✓ Seven recommendations raised – three medium priority and four low priority.

2. Value for money

Requirements

Assess whether there are significant weaknesses in the Trust's arrangements for achieving value for money.

Changes to responsibilities

New responsibilities were introduced for 2020-21 as a result of changes to the Audit Code of Practice.

- ✓ Increased depth to our assessment of whether there are significant risks, considering the design of a range of systems.
- ✓ Production of a commentary on the arrangements in place to be published on the Trust's website.
- ✓ Conclusion provided against each of the three domains, summarising the work performed and our findings.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

2. Value for money

Reporting

The revised value for money arrangements enhance the level of reporting required, to include;

- ✓ A summary of our risk assessment against each of the three value for money criteria, setting out our view of the arrangements in place compared with industry standards;
- ✓ A summary of any further work undertaken against identified significant risks and the findings from this work; and
- ✓ Recommendations raised from the work undertaken and follow up of previous recommendations.

Trust outcome

- ✓ We did not identify any significant risks or weaknesses with regards to the Trust's arrangements.
- ✓ Copy of our commentary has been provided alongside this pack.
- ✓ We have not raised any recommendations following the completion of our work.



3. Whole of Government Accounts

Requirements

- *Confirm that the Trust's submission to NHS Improvement for production of the consolidated NHS provider sector accounts matches the financial statements.*

Trust outcome

- ✓ For 2020/21 we issued an unqualified consistency certificate.
- ✓ This means that we did not identify any inconsistencies between the financial statements and the information included in the consolidation schedules.

4. Annual Report

Requirements

- *Confirm that the information included within the annual report is consistent with our knowledge of the Trust; and*
- *Confirm that all requirements of the Annual Reporting Manual have been included.*
- *Verify the accuracy of certain remuneration disclosures.*

Trust outcome

- ✓ We confirmed that the Governance Statement had been prepared in line with the Annual Reporting Manual requirements.
- ✓ We did not identify any material inconsistencies with our knowledge of the Trust.
- ✓ We audited the information required to be checked as part of the remuneration report.

Note that for 2020-21 there was no requirement for assurance to be provided over information included within the quality report as a result of Covid-19.





Q&A



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Year end report 2020/2021

Liverpool Women's NHS Foundation Trust

15 June 2021

I confirm that this is the final version of our ISA 260 Audit Memorandum relating to our audit of the 2020/21 financial statements for Liverpool Women's NHS Foundation Trust. This document was discussed and approved by the Trust's Audit Committee on 10 June 2021.

Tim Cutler

Partner for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1, St. Peter's Square, Manchester, M2 3AE

15 June 2021

Our audit opinions and conclusions:

Financial Statements: **unqualified**

Use of resources: **no significant weaknesses identified**

Key contacts

Your key contacts in connection with this report are:

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Liverpool Women's NHS Foundation Trust

Introduction

To the Audit Committee of Liverpool Women's NHS Foundation Trust

We are pleased to have met with you on 10 June 2021 to discuss the results of our audit of the financial statements of Liverpool Women's NHS Foundation Trust (the 'Trust') as at and for the year ended 31 March 2021.

We provided this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented in January 2021. We elaborated on the matters covered in this report when we met.

Our audit is now complete. There have been no significant changes to our audit plan and strategy other than clarifying our assessment of the risk of fraudulent revenue recognition and the risk of fraudulent expenditure position. We For clarity we have provided further detail on page 8.

We will issue an unmodified Auditor's Report on the financial statements and have not identified any significant weaknesses in your arrangements to secure value for money. In addition to this opinion we have prepared our Auditor's Annual Report which contains a narrative summary of our findings to be published on the Trust's website.

We draw your attention to the important notice on page 4 of this report, which explains:

- The purpose of this report;
- Limitations on work performed; and
- Restrictions on distribution of this report.

Yours faithfully,



Tim Cutler

15 June 2021



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How we have delivered audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- **Executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls** and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

The National Audit Office (NAO) has issued a document entitled Code of Audit Practice (the Code). This summarises where the responsibilities of auditors begin and end and what is expected from the Trust.

External auditors do not act as a substitute for the Trust's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Liverpool Women's NHS Foundation Trust

Important notice

This report is presented under the terms of our audit engagement letter.

- Circulation of this report is restricted.
- The content of this report is based solely on the procedures necessary for our audit.

This report has been prepared for the Audit Committee, in order to communicate matters of interest as required by ISAs (UK and Ireland), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this report, or for the opinions we have formed in respect of this report.

Purpose of this report

This report has been prepared in connection with our audit of the financial statements of Liverpool Women's NHS Foundation Trust (the 'Trust'), prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted by the Group Accounting Manual issued by the Department of Health and Social Care, as at and for the year ended 31 March 2021. This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you.

Limitations on work performed

This report is separate from our audit report and does not provide an additional opinion on the Trust's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors. We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is now complete.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Trust; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.



Liverpool Women's NHS Foundation Trust

Our audit findings

Significant audit risks

Page 8 - 14

Significant audit risk	Risk change	Our findings
Fraud Risk from Expenditure Recognition	Stable ◀▶	The results of our testing were satisfactory. We considered the amount of expenditure recognised to be acceptable. We did identify some audit adjustments as set out in Appendix 6 and raised a control recommendation, see Appendix 4.
Valuation of Land and Buildings	Stable ◀▶	The results of our testing were satisfactory. No audit misstatements identified.

Key accounting estimates

Page 11

Valuation of Land and Buildings	Neutral	We assessed the assumptions underpinning the valuation on which the carrying value of PPE is based. Assumptions were found to be neutral.
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Value for money

Page 17 - 24

Under the Code of Audit Practice we are required to report to you if we have identified a significant weakness in the Trust's arrangements to securing economy, efficiency and effectiveness in its use of resources. We have nothing to report in this respect. Our Annual Audit Report contains our public commentary in regard to this work.

Whole of Government Accounts

Page 16

We intend to issue an unqualified Group Audit Assurance Certificate to the NAO regarding the Whole of Government Accounts submission, made through the submission of the summarisation schedules to Department of Health and Social Care.

Uncorrected audit misstatements

Page 38

We identified four misstatements that would improve the deficit position by £0.859m. See Appendix 6 for further details.

Number of Control deficiencies

Page 31

Significant control deficiencies	0
Other control deficiencies	7
Prior year control deficiencies remediated	3

Other matters

In auditing the accounts of an NHS body auditors must consider whether, in the public interest, they should make a report on any matters coming to their notice in the course of the audit, in order for it to be considered by Trust members or brought to the attention of the public.



Liverpool Women's NHS Foundation Trust

COVID-19: Audit implications

The table below identifies the specific areas of our audit that were expected to be affected by the COVID-19 pandemic, and how our audit differs from those prior to the pandemic.

Materiality	<ul style="list-style-type: none"> – We have utilised the 2020-21 forecast revenue in setting the materiality for the audit. – The risk that uncorrected and undetected misstatements exist and aggregate to an amount that results in a material misstatement of the financial statements has not changed.
Subsequent events disclosures	<ul style="list-style-type: none"> – Due to the rapidly evolving situation, determining whether subsequent events should be reflected (adjusting) vs. disclosed (non-adjusting) in the financial statements may require significant judgement, and more subsequent events are likely to be identified. – Our audit procedures will be adjusted to respond to the increased risks of material misstatement.
Audit effort and audit fees	<ul style="list-style-type: none"> – We have not charged additional fees due to the challenges of remote working as we consider that the extra costs incurred are offset by efficiencies inherent to home working.
Going concern See page 13	<ul style="list-style-type: none"> – The required enhanced procedures under the revised ISA (UK) 570 on your risk assessment process and fact that we need to perform procedures through to the date of the auditors' report, which is due to be later than in prior years, meant a different approach in this key area. – Practice Note 10 (and the Group Accounting Manual) have been updated during the year to reiterate the continuation of services principal and therefore, despite the ongoing uncertainty of funding, we have concluded that it is appropriate to prepare your financial statements on a going concern basis.

Liverpool Women's NHS Foundation Trust

COVID-19: Audit implications (contd.)

Accounting estimates See page 15	<ul style="list-style-type: none"> – The risk of material misstatement relating to the valuation of property, plant and equipment has altered due to the higher degree of estimation uncertainty resulting from current economic conditions. However it is noted that RICS have issued guidance reiterating that an inherent uncertainty paragraph is not expected in every asset valuation issued (as was common at the height of the pandemic in the prior year). – We evaluated the methods, assumptions and data used to derive the estimates for PPE valuation and obtained evidence that they are appropriate in the context of the financial reporting framework and were, when appropriate, based on conditions and events at the measurement date. We considered whether management has appropriately addressed the increased estimation uncertainty when setting the estimate. – We evaluated whether sufficient disclosure had been provided of the sources of estimation uncertainty and how estimates have been set within the Trust's accounting policies.
Obtaining sufficient appropriate audit evidence	<ul style="list-style-type: none"> – As anticipated, our fieldwork was undertaken remotely for our 2020-21 audit. We applied the lessons learned from the remote delivery of our 2019-20 audit to help ensure that this was delivered as smoothly as possible. As with the 2019-20 audit we needed additional time from management to ensure we were able to collect sufficient and appropriate audit evidence to support our opinion. – There was the possibility of delays where we rely on information received from third parties for the completion of our audit, including confirmations from your banking providers of year end balances and reports from service auditors on the controls in place at service organisations utilised, however these were not an issue for this year end.

Liverpool Women's NHS Foundation Trust

Audit Risks

In our External Audit Plan 2020/21, presented to you in January 2021, we identified four financial statement risks. Our audit strategy and plan remain flexible as risks and issues change throughout the year. In our plan we stated we would provide updated commentary on the identified significant risks as we gathered further information on the Trust's financial performance and the national funding regimes. We have outlined our updated approach to the two of the four identified risks in the below table:

Fraud risk from expenditure recognition	<ul style="list-style-type: none"> – In the 2020/21 financial year, systems are expected to breakeven but individual organisations can deliver surplus or deficit positions by mutual agreement within the system. The Trust has agreed a deficit position of £4.6m. – Actual outturn for the year ended 31 March 2021 was a deficit (before impairments of non-current assets) £4.0m. As a result, we consider that the risk of material misstatement relates to the existence and accuracy of non-pay expenditure recognise during the fourth quarter of 2020/21. This is embodied in particular within the creditors balances at year end which are increased year-on-year, especially within accruals (£10.3m as at 31 March 2021; £9.1m in the prior period) and deferred income (£4m as at 31 March 2021; £3m in the prior period). There is a risk that given the achievable nature of the agreed breakeven, management judgements will be made to record expenditure and creditors within 2020/21 which actually relate to 2021/22 or, in the case of accruals and provisions, do not meet the recognition criteria such as representing a probable outflow of resources. – As a result of this we consider the risk to be in relation to the existence and accuracy of non-pay/non NHS expenditure during quarter 4 of 2020/21 and material year end non-pay/non-NHS payables balances at year end. – We do not consider there to be a significant risk of material misstatement relating to the completeness of this non-NHS expenditure.
Fraud risk from revenue recognition	<ul style="list-style-type: none"> – In our plan we did not rebut the risk of fraudulent revenue recognition over patient care income. – We have now rebutted the risk of fraudulent revenue recognition over this income stream due to the temporary NHS funding arrangements that have been in place throughout the financial year. – During 2020/21 clinical income has come in the form of block payments from CCGs that have been calculated centrally and given to Providers and Trusts. Additional funding has also been provided in the form of top-up funding which for the first 6 months of the year matched any COVID-19 expenditure. The retrospective top up was removed for months 7 to 12. Unlike in previous years, in 2020/21 there are no financial incentives awarded to the Trust upon achievement of an agreed control total. Therefore this reduces the incentive to manipulate the financial position. There is also a reduced opportunity as the majority of funding is received in advance as block payments. As at 31st March 2021, contract receivables are £4.4m; £5.2m in the prior year. – We also rebut the risk of fraudulent revenue recognition over other material income streams as we do not believe there to be an incentive to manipulate these balances and due to their size in relation to materiality. We will perform audit procedures over these balances as well as remaining alert to any indications of fraud.

Liverpool Women's NHS Foundation Trust

Audit risks

1

Fraud Risk from Expenditure Recognition

Fraud risk related to overstatement of expenditure

Significant audit risk

The risk

- In the 2020/21 financial year, systems are expected to breakeven but individual organisations can deliver surplus or deficit positions by mutual agreement within the system. The Trust had agreed a deficit position of £4.6m.
- There is a risk that given the achievable nature of the agreed breakeven, management judgements will be made to record expenditure and creditors within 2020/21 which actually relate to 2021/22 or, in the case of accruals and provisions, do not meet the recognition criteria such as representing a probable outflow of resources.
- As a result of this we consider the risk to be in relation to the existence and accuracy of non-pay/non NHS expenditure during quarter 4 of 2020/21 and material year end non-pay/non-NHS payables balances at year end.

Our response

We performed the following procedures in order to respond to the significant risk identified over existence and accuracy:

- We assessed the design and operation of process level controls underpinning the material non-pay/non-NHS related expenditure categories, excluding depreciation, clinical negligence and rentals under operating lease expenditure;
- We assessed the design and operation of controls underpinning non-NHS accruals and other payables to confirm they exist and have been accurately recorded;
- We selected an increased sample of expenditure invoices relating to the aforementioned expenditure categories throughout the year, to determine if they had been recorded accurately and completely;
- We selected an increased sample of year-end non-NHS related accruals and other payables to determine if they exist and had been recorded accurately;
- We inspected a sample of expenditure invoices and cash items, received in the period up to and following 31 March 2021, to determine whether items selected had been recognised in the correct accounting period.
- We performed a comparison of prior year end accruals to current year end accruals in order to assess whether any items of expenditure may not have been accrued for at the year end that required recording.

In addition to the work on the identified significant risk we performed the following procedure:

- Agreement of Balances: We assessed the outcome of the agreement of balances exercise with other NHS organisations and compared the values reported to the value of expenditure captured in the financial statements. We obtained explanations for any variances over £300,000, and all balances in dispute.

(continued)



Liverpool Women's NHS Foundation Trust

Audit risks

1

Fraud Risk from Expenditure Recognition

Fraud risk related to overstatement of expenditure

Significant audit risk

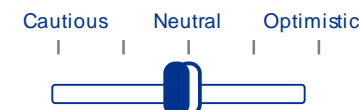
Our findings

- Through our testing of non-NHS accruals, we have identified some audit adjustments in this area. We identified four accruals that we believe do not meet the definition of an accrual and also do not meet the requirements of IAS37 to be recognised as a provision. See page Appendix 6 for further detail.
- Through our testing of deferred income we identified two items that have been deferred that relate to 2021/22 and no cash had been received in 2020/21. These two items should not be accounted for in the 2020/21 financial statements. See page Appendix 6 for further detail.
- We have raised a control recommendation around formalising the controls over year end accruals. See Appendix 4 for further details.
- We have not identified any other issues as a result of our testing.



Liverpool Women's NHS Foundation Trust

Audit risks


2

Valuation of Land and Buildings

Risk of error relating to misstatement of asset valuations

Significant audit risk

The risk

Land and buildings are required to be held at fair value. 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 a 'modern equivalent asset'.

The value of the Trust's land and buildings at 31 March 2020 was £70.9m. There is significant judgements involved in determining the appropriate valuation basis for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation. There is therefore a risk that the value of land and buildings is materially misstated in the financial statements.

The Trust undertook a desktop valuation of its land and buildings in year. The last full revaluation took place for the year ended 31 March 2020.

Our response

We performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We critically assessed the independence, objectivity and expertise of Cushman and Wakefield, the valuers used in developing the valuation of the Trust's properties at 31 March 2021;
- We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they were appropriate to produce a valuation consistent with the requirements of the Group Accounting Manual;
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information, such as floor plans, and to previous valuations, challenging management where variances are identified;
- We critically assessed the controls in place for management to review the valuation and the appropriateness of assumptions used;
- We considered the carrying value of the land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation, including the use of relevant indices and assumptions of how a modern equivalent asset would be developed, as part of our judgement. We have challenged assumptions such as recognition of VAT.
- We performed inquiries of the valuers in order to verify the methodology that was used in preparing the valuation and whether it was consistent with the requirements of the RICS Red Book and the GAM;
- We agreed the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the GAM; and
- Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Our findings

- We have not identified any significant issues in relation to the valuation of land and buildings. We identified one control recommendation relating to this area. Please see Appendix 4 for further detail.

Liverpool Women's NHS Foundation Trust

Audit risks

3

Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

The risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit

Our response

- Our audit methodology incorporates the risk of management override as a default significant risk.
- In line with our methodology, we have tested the design and implementation of controls over journal entries and post closing adjustments.
- We have assessed the controls in place for the approval of manual journals posted to the general ledger to ensure that they are appropriate.
- We have analysed all journals through the year using data and analytics and focus our testing on those with a higher risk, such as journals impacting revenue recognition.
- We have reviewed the appropriateness of the accounting for significant transactions that are outside the Trust's normal course of business, or are otherwise unusual.
- We have assessed the controls in place for the identification of related party relationships and test the completeness of the related parties identified. We have verified that these have been appropriately disclosed within the financial statements.

Our findings

- We identified journal entries meeting our high-risk criteria and agreed back to supporting evidence. No issues were identified as a result of this testing.
- We did not identify any significant unusual transactions.
- We have not identified any significant issues in relation to management override of controls.

Note: (a) Significant risk that professional standards require us to assess in all cases.



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Liverpool Women's NHS Trust

Audit risks

4

Going Concern

Risk relating to disclosures related to going concern including the judgement of whether there is material uncertainty

Other area of audit focus

The risk.

- The GAM directs that your financial statements will be prepared on a going concern basis unless services are being transferred outside of the public sector or being discontinued.
- Management are also required to assess if there are material uncertainties in respect of events or conditions that cast significant doubt upon the ability to continue meeting the Trust's liabilities.
- Risks to your financial position are expressed through disclosure in the financial statements (which need to be complete and balanced) and consideration in our value for money responsibilities.
- Key analysis of your future financial performance is contained in your submissions to NHSI which forecast both current and future years expected financial performance.

Our response

- Evaluated how management's risk assessment process identifies business risks relating to events and conditions that may cast significant doubt on the ability to continue as a going concern, with a particular focus on the requirements of Practice Note 10 (an assumption of the continuation of services).
- Evaluated whether management's assessment has failed to identify events or conditions that may cast significant doubt on going concern and whether the method used by management is appropriate.

Our findings

- We considered that management's assessment of its going concern included the required analysis to assess whether the going concern assumption was appropriate.
- We identified that the content of the Trust's strategic plan is consistent with the application of the continuation of services principal.
- The use of the going concern assumption was appropriate in the preparation and presentation of the financial statements.
- The related disclosures in the financial statements were adequate.

Liverpool Women's NHS Foundation Trust

Mandated risks

Risk	Why	Finding from the audit
Fraud risk from revenue recognition	Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.	<p>As communicated in our audit plan and strategy and our updated risk assessment on page 8, we rebutted the risk of fraudulent revenue recognition over all income streams. Unlike in previous years, in 2020/21 there were no financial incentives awarded to the Trust upon achievement of an agreed control total. Therefore this reduced the incentive to manipulate the financial position. There was also a reduced opportunity as the majority of funding was received in advance as block payments.</p> <p>Like in the previous year we rebutted the fraud risk over other material income streams as we do not believe there to be an incentive to manipulate these balances and due to their size in relation to materiality.</p>
Fraud risk from management override of controls	<p>Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We have identified the following risks of management override that are specific to this audit.</p>	Our procedures, including testing of journal entries, accounting estimates and significant transactions outside the normal course of business, no instances of fraud were identified.

Reconfirming materiality: We can confirm that we have completed all our audit work to the materiality that we proposed at the planning stage of the audit, which was a total materiality of £2.2m, performance materiality of £1.65m with an audit differences posting threshold of £0.11m.

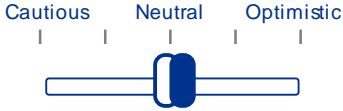
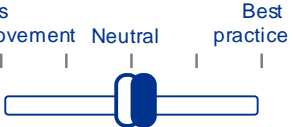


Liverpool Women's NHS Foundation Trust

Key accounting estimates – Overview

Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.

Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
					
Asset 1 Valuation of property, plant and equipment		69.8	(1.1)		<p>The Trust has used the services of a professionally qualified valuation expert to complete a desktop valuation of its land and buildings as at 31 March 2021. The valuation has been carried out in line with the DHSC Group Accounting Manual (GAM). The valuation is an estimate and involves various assumptions.</p> <p>We reviewed the assumptions used by the valuation expert and the valuation report for the year ended 31 March 2021. We compared that with the applicable accounting standards and consistent application of assumptions in relation to the Trust as well as the wider NHS sector. We also obtained assurance in relation to the competency and experience of the valuer to conduct such a valuation.</p> <p>We can confirm that the assumptions used by the valuer are reasonable and appropriate. We can also confirm that the valuer is professionally qualified and has the relevant expertise to carry out such a valuation on Trust's land and buildings as at 31 March 2021.</p> <p>We have not identified any issues to suggest that this judgement is materially misstated. Assumptions were found to be balanced.</p>

Liverpool Women's NHS Foundation Trust

Other matters

Annual report

We have read the contents of the Annual Report (including the Accountability Report, Directors Report, Performance Report and Annual Governance Statement (AGS)) and audited the relevant parts of the Remuneration Report. We have checked compliance with the NHS Group Accounting Manual (GAM) issued by Department of Health and Social Care and Foundation Trust Annual Reporting Manual (the ARM). Based on the work performed:

- We have not identified any inconsistencies between the contents of the Accountability, Performance and Director's Reports and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the director's statements. As Directors you confirm that you consider that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.
- The part of the Remuneration Report that is required to be audited were all found to be materially accurate;
- The AGS is consistent with the financial statements and complies with relevant guidance; and
- The report of the Audit Committee included in the Annual Report includes the content expected to be disclosed as set out in the GAM and ARM and was consistent with our knowledge of the work of the Committee during the year.

Whole of Government Accounts

As required by the National Audit Office (NAO) we are required to provide a statement to the NAO on your consolidation schedule. We comply with this by checking that your summarisation schedule is consistent with your annual accounts. We have completed that work and identified one matter to report. See page 38 for further detail. The Trust was not selected for additional procedures this year.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our fee for the audit was £76,000 plus VAT (£58,200 in 2019/20). We have not completed any non-audit work at the Trust during the year.



Liverpool Women's NHS Foundation Trust

Value for money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

We have prepared our Auditor's Annual Report and a copy of the report is included within the papers for the Committee alongside this report.

Commentary on arrangements

In addition to this report we have prepared our Auditor's Annual Report which contains a narrative summary of our findings to be published on the Trust's website. This is included in the papers for this meeting.

Response to risks of significant weaknesses in arrangements to secure value for money

Over the next few pages we summarise our VFM risk assessment for each of the three domains.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant risks identified

We confirm that we have not identified any significant weaknesses to be included within our value for money report.

Liverpool Women's NHS Foundation Trust

Value for money arrangements

For 2020-21 our value for money reporting requirements have been amended, following the publication of the revised Audit Code of Practice.

While our responsibility to conclude on value for money arrangements is unchanged, from 2020-21 onwards we will produce a public facing commentary. This will provide a conclusion on each of the three domains, summarising the work performed and our findings.

We have set out the key methodology and reporting changes on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility is to conclude on whether the Trust has appropriate arrangements in place to secure value for money. Our risk assessment considers whether there are any significant risks that the Trust does not have appropriate arrangements in place.

In undertaking our risk assessment we have obtained an understanding of the key processes the Trust has in place to ensure this, including financial management, risk management and partnership working arrangements. This has been completed through review of the Trust's documentation in these areas, performing inquiries of management and reviewing reports, such as internal audit assessments.

Reporting

The revised value for money arrangements enhance the level of reporting required in our Annual Audit Letter to include:

- A summary of our risk assessment against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised from the work undertaken and follow up of previous recommendations.

The Trust will be required to publish the commentary on its website at the same time as publishing its annual report online.

Value for money criteria

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Liverpool Women's NHS Foundation Trust

Value for money - risk of significant weakness in arrangements

Domain - Financial sustainability	
Description of risk	Our response
<p>The risk</p> <p>In assessing whether there was a significant risk of financial sustainability we reviewed:</p> <ul style="list-style-type: none"> – The processes for setting the 2020-21 financial plan to ensure that it is achievable and based on realistic assumptions; – How the 2020-21 efficiency plan was developed and monitoring of delivery against the requirements; – Processes for ensuring consistency between the financial plan set for 2020-21 and the workforce and operational plans; – The process for assessing risks to financial sustainability; and – Processes in place for managing identified financial sustainability risks. 	<p>The Covid-19 pandemic has had a major impact on the NHS and this has resulted in changes to the financial planning regime. On 17 March 2020 normal contractual arrangements with NHS providers were suspended and the NHS moved to block contract payments on account. The value of these was determined centrally, rather than being agreed between the CCG and the providers. NHS organisations were also reimbursed with additional funding as required in order to reflect the additional costs incurred as a result of Covid-19. For months 7-12 of NHSE/I provided allocations for each provider to cover additional cost pressures due to Covid-19 and the provision of services.</p> <p>We found that the budget monitoring and control processes were able to identify and incorporate significant pressures into the financial plan to ensure it was achievable and realistic. The initial draft budgets were constructed based on appropriate local and national planning assumptions and we saw evidence of appropriate review and sign off by the relevant budget holders. Cost pressures at the planning process are reviewed by the Trust Management Group and the Executive team. There is a monthly review of budget statements by budget holders and the budget is monitored by the Finance, Performance and Business Development (FPBD) Committee.</p> <p>Following changes to the funding regime for months 7-12 the Trust presented a Financial Plan with a deficit of £4.6m in October 2020. For the first 6 months of the year the top-up payment equated to £1.4m per month whereas the Trust is allocated c600k per month for months 7-12. This reduction in top-up payments led to the Trust planning for the deficit noted above. At the time of our risk assessment the Trust is forecasting a deficit of £4.4m.</p> <p>The Trust had originally identified £3.7m of CIP scheme for the 2020/21 financial year. However CIP delivery was not required nationally for the first half of the year and was not reportable to NHSI. The Trust continued to monitor and deliver CIP schemes that were deemed safe throughout the first 6 months, delivering 953k to month 6. The Trust delivered £2m of CIP schemes across the full financial year with the majority of these being recurrent schemes.</p> <p>At the time of writing, the Trust has submitted the financial plan for the first six months of 2021-22 forecasting a balanced position. The plan is based on NHSE/I guidance that the current arrangements will remain in place for at least the first half of 2021-22; and there is uncertainty about the remainder of the year.</p> <p>(continued)</p>

Liverpool Women's NHS Foundation Trust

Value for money - risk of significant weakness in arrangements

Domain - Financial sustainability (continued)	
	<p>Therefore the continued impact of the pandemic, as well as the long term demand changes it will cause, means it is difficult to quantify the impact on the finances within the sector.</p> <p>The Trust continues to work on the Future Generations Strategy (discussed further on page 24) which will require capital funding in the long-term.</p>
	<p>Our findings</p> <p>Based on the procedures performed we have not identified any significant risks and/or significant weaknesses that the Trust does not have sufficient financial sustainability arrangements in place to oversee and monitor their value for money achievement.</p>

Liverpool Women's NHS Foundation Trust

Value for money - risk of significant weakness in arrangements

Domain - Governance	
Description of risk	Our response
<p>In assessing whether there was a significant risk relating to governance we reviewed:</p> <ul style="list-style-type: none"> Processes for the identification, monitoring and management of risk; Controls in place to prevent and detect fraud; The review and approval of the 2020-21 financial plan by the Board, including how financial risks were communicated; Processes for monitoring performance against budgets and taking actions in response to adverse variances; How compliance with laws and regulations is monitored; Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and How the Board ensures decisions receive appropriate scrutiny. 	<p>We consider the Trust to have effective processes in place to monitor and assess risk. Strategic risks are recorded and identified using the Board Assurance Framework, and any identified risks are reported to the appropriate governing body. Our review of the risk register found this was sufficiently detailed to effectively manage key risks. The Trust has a detailed Risk Management Strategy in place updated in March 2019 and reviewed in the year.</p> <p>The Trust has adequate controls in place to prevent and detect fraud.</p> <p>The financial planning regime significantly changed for 2020-21. A financial plan had already been approved by the Finance, Performance and Business Development (FPBD) committee and Board before the suspension. The plan advised to the Trust was that its commissioners were to distribute income in block contract payments. Changes to income were made accordingly in the plan. Expenditure budgets were not changed. This was approved by FPBD at their meeting in May 2020 and Board in early July 2020.</p> <p>We found there to be appropriate scrutiny and challenge of the budgets and appropriate approval through the budget holders and the FPBD Committee. We also found appropriate processes in place to ensure accurate recording and monitoring of the additional costs associated with Covid-19.</p> <p>Reviews of compliance with laws & regulations, staff code of conduct and the Trust's constitution is completed through Board meetings, the Trust's Effectiveness Senate, Audit Committee and other governance structures as identified through our testing.</p> <p>The Trust has ensured appropriate scrutiny, challenge and transparency on decision making. The Trust guarantees key decisions are appropriately challenged and scrutinised by the executive team through a refreshed business case process which is considered alongside the Trust's SFIs and Corporate Governance Manual. Business cases are presented to the Board where required due to their size. For example the EPR Business Case which was approved by the Board following an extensive review process through the Trust's committee structure.</p> <p>The Trust also had a CQC review rating of Good at the last review in December 2019 with some improvement required within well-led. This was specifically relating to Gynaecology services. The Trust increased Executive oversight within the service until issues were addressed satisfactorily. The Trust has commissioned an external Well-led review in 2020/21 which has not identified any significant issues. The Trust was subject to a warning notice from the CQC in relation to medicine management. This notice was stood down in September 2020. The Trust included a medicine management review as part of MIAA, the Internal Auditor, internal audit plan for the year.</p> <p>(continued)</p>



Liverpool Women's NHS Foundation Trust

Value for money - risk of significant weakness in arrangements

Domain – Governance (continued)	
Description of risk	Our response
	<p>In the 2020/21 financial year there have been no breaches of legislation or regulatory standards that has led to an investigation by any legal or regulatory body.</p> <p>We have reviewed overall governance arrangements in place and found appropriate processes are in place and we have not identified any significant weaknesses.</p>
	Our findings
	<p>Based on the procedures performed we have not identified any significant risks and/or significant weaknesses that the Trust does not have sufficient governance arrangements in place to oversee and monitor value for money achievement.</p>

Liverpool Women's NHS Foundation Trust

Value for money - risk of significant weakness in arrangements

Domain - Economy, Efficiency and Effectiveness	
Description of risk	Our response
<p>In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:</p> <ul style="list-style-type: none"> – The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved; – How the performance of services is monitored and actions identified in response to areas of poor performance; – The engagement with partnerships and how the performance of those partnerships is monitored and reported within the organisation; and – The monitoring of outsourced services to verify that they are delivering expected standards. 	<p>We note that from the 17 March 2020 QIPP/CIP programmes were put on hold in accordance with national guidance. This was to allow CCGs and providers to respond to the pandemic. For months 7 to 12 any service redesign, service extension and/or transformation are to be based on provider capacity, Infection Prevention and Control guidelines and estates.</p> <p>Despite this the Trust internally reports CIP achievements against the original plan and against the revised plan submitted to NHSI (reportable from month 7 onwards). For months 7 to 12 the Trust set a target of £1.1m which it delivered. It is recognised that going forward CIP targets will be very challenging.</p> <p>A paper is presented to each meeting of the Trust's FPBD Committee and Trust Board in order to report on financial performance, allowing the Trust to assess the level of value for money being achieved. Management also maintains and monitors costs by reviewing the information received from benchmarking through review partnerships and the NHS Corporate Benchmarking Exercise. This is used during the CIP planning process.</p> <p>Where issues with performance are identified, for example as part of the CQC inspection, the Trust is able to respond to this by increasing Executive oversight in these areas.</p> <p>The Trust's FPBD and Board also receive a monthly operational report which covers workforce, continuity of care, maternity and access standards. The report shows key data and progress throughout the year and provides narrative to explain the metrics where there is challenge to achievement and the steps taken to address improvement. This is in addition to the full board performance report. This allows the Board to monitor the performance of services and focus attention on areas of underperformance.</p> <p>The Trust engages in a number of partnerships including the Cheshire and Merseyside Health & Care Partnership, Liverpool Provider Alliance, Alder Hey to implement the Liverpool Neonatal Partnership on two sites and Liverpool University Hospitals Foundation Trust. Throughout the pandemic the Trust has supported other providers by delivering mutual aid.</p> <p>The Chief Executive Report provided to each Board meeting contains a section on news and developments within the immediate health and social care economy. This provides an opportunity for the Board to be updated on the work done through the partnerships the Trust is involved in. This is considered an appropriate and adequate arrangement.</p> <p>(continued)</p>

Liverpool Women's NHS Foundation Trust

Value for money - risk of significant weakness in arrangements

Domain - Economy, Efficiency and Effectiveness (continued)	
Description of risk	Our response
	<p>The Trust continues to work to deliver the Future Generations Strategy. The long-term preferred option remains a new build located alongside other adult hospital services in Liverpool. This is a long-term plan and will require NHS England approval and the required funding. The Trust continues to seek to demonstrate the clinical need for change in the long term. It does so while increasingly working in partnership with partners across Cheshire and Merseyside to provide the best care in the short and medium term. This includes investing in short to medium term developments in partnership such as the recently completed neonatal unit.</p>
	Our findings
	<p>Based on the procedures performed we have not identified any significant risks and/or significant weaknesses that the Trust does not have sufficient arrangements in place for improving economy, efficiency and effectiveness.</p>

Appendix

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Appendix One

Revision to the Going Concern auditing standard

The revision of International Standard on Auditing (ISA) 570 relating to going concern applies for audits of the year ending 31 March 2021 and subsequent years. The revised standard introduces a requirement for all entities to complete a formal assessment of their status as a going concern and recommends that this is presented to the entity's Audit Committee.

Going concern is a fundamental concept to the preparation of the accounts for all entities, however it is interpreted separately in the public sector. While the risk associated with going concern is lower for NHS providers and commissioners care should be taken to ensure appropriate consideration is given to assessing whether there is a risk that the going concern status might not be appropriate.

Practice Note 10

The expectations for content to be included within a going concern assessment are set out in Audit Practice Note 10, which provides guidance for completing audits in the public sector in the UK. This sets out that a risk assessment for an entity in the public sector must at a minimum consider the following factors:

- What are the requirements of the reporting framework with regards to going concern; and
- Complete a risk assessment to consider whether there are any factors that would call into doubt the going concern status.

Requirements of the reporting framework

The definition of going concern is set out in the Financial Reporting Manual published by HM Treasury and supported by the DHSC Group Accounting Manual. These set out that:

“For non-trading entities, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern.”

HM Treasury Financial Reporting Manual

The above therefore means that the assurance over the continued provision of services comes primarily from the publication of documents that set out that the services the organisation provides will continue to be provided. This means even if it is expected that the organisation will merge it is still considered to be a going concern.

In forming the going concern assessment providers and CCGs are required to consider whether there is a documented expectation for the services they provide to continue. This can consider factors such as:

- The requirement for health services to be provided is set out in legislation, such as the Health Act and Health and Social Care Act.
- The presence of published allocations, such as resource limits for CCGs, that confirm they will continue to receive funding.
- The presence of strategies, such as ICS long term plans, that plan for the continued provision of the services provided by the entity.



Appendix One

Revision to the Going Concern auditing standard

Risk assessment

The assessment of going concern should consider whether any risks have been identified that may mean the going concern assumption is not appropriate. As the key sources of assurance that services will provide are based on legislation and published strategies this should focus on whether there are any factors published that could lead to the services provided ending.

This assessment should consider the impact of the white paper that is currently being consulted on, particularly for the establishment of integrated care systems as legal entities.

Assessing financial performance

While the focus of the going concern assessment does not need to be on financial performance it is important that there is an understanding of the expected future financial performance, particularly if it is expected there may be deficits or gaps in funding available.

While deficits or gaps in funding may not lead to a modification of the going concern status they may still require disclosure within the going concern accounting policy so that users of the accounts can understand why the accounts are prepared on a going concern basis.

Demising entities

Where a CCG or provider is due to demise, for example due to merger with another entity, then they are still considered to be a going concern. The risk assessment will need to give the same consideration as set out above for the new merged entity to confirm that it is appropriate for it to be considered a going concern.

Conclusion

Following our consideration of the above we have concluded that management's decision, based on the continuation of services principle, to prepare the financial statements on a going concern basis is a reasonable one.










Appendix Two

Changes to our audit reports as a result of ISA (UK) changes

Going concern	Irregularities and fraud	Laws and Regulations
<p>Our conclusion on going concern has been updated to provide a positive confirmation that we have not identified any factors that would cause us to consider there is a material uncertainty over the Trust's status as a going concern.</p>	<p>In all audit reports, we are now required to explain to what extent the audit was considered capable of detecting irregularities, including fraud.</p> <p>This is tailored to each audit. We include a summary of what risks we identified relating to fraud and what procedures we have performed in response to these.</p>	<p>For audits of financial periods commencing on or after 15 December 2019, auditors are required to explain in the auditor's report to what extent the audit was considered capable of detecting irregularities, including fraud.</p> <p>This was already a requirement for auditors of public interest entities (PIEs) in ISA (UK) 700 (Revised June 2016).</p> <p>We also set out as part of the report the laws and regulations that we have identified that have a direct impact on the preparation of the Trust's accounts.</p>










Appendix Three

Required communications with the Audit Committee

Type		Response
Our draft management representation letter		We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2021.
Adjusted audit differences		There were a number of adjusted audit differences. None of the adjusted audit differences had an impact on the reported deficit. See Appendix 6.
Unadjusted audit differences		The aggregated impact on the reported deficit of unadjusted audit differences would be £0.859m. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See Appendix 6.
Related parties		There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee		There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies		We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts		No actual or suspected fraud involving component management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit.
Make a referral to the regulator		If we identify that potential unlawful expenditure might be incurred then we are required to make a referral to your regulator. We have not identified any such matters.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Appendix Three

Required communications with the Audit Committee

Type		Response
Significant difficulties		No significant difficulties were encountered during the audit.
Modifications to auditor's report		None. We have complied with the new requirements of AGN07 which removes the need for Foundation Trusts to have audit findings reported via a long form audit report.
Disagreements with management or scope limitations		The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information		No material inconsistencies were identified related to other information in the annual report, Strategic and Directors' reports. The Annual report is fair, balanced and comprehensive, and complies with the revised guidance issued during March 2021.
Breaches of independence		No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices		Over the course of our audit, we have evaluated the appropriateness of the Trust's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management		There were no significant matters arising from the audit requiring to be discussed, or subject to correspondence, with management.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.
Standard representations requested		We have requested the standard letter of management representation.

Appendix Four

Recommendations raised

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations			
1	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
3	Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.		

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
1	3	<p>Valuation of land and buildings – enhancement of existing controls</p> <p>Through our work over the valuation of land and buildings, we identified that management prepared a work paper comparing the values they expected for each of the buildings to the values determined by the Valuer, Cushman & Wakefield. This work paper was then sent to the Valuer. In year there was a large impairment. While management prepared a detailed paper to explain this impairment as part of our audit we recommend management challenge large movements until they are satisfied with the underlying reasons upon receipt of the valuation report.</p> <p>We recommend that management strengthens the existing controls by documenting a formal review of the valuers assumptions used on an annual basis, such as indices and functional obsolescence. We understand the short timeframe between receipt of the final valuation report and the audit so we recommend management consider whether elements of this formal review could be completed earlier in the year, for example when agreeing the instructions to the valuer, or shortly in advance of the valuer carrying out their fieldwork.</p>	<p>Accepted this will be undertaken by the Financial Controller for future valuations.</p> <p>Officer: Financial Controller</p> <p>Due date: 31 March 2022</p>
2	3	<p>Asset verification exercise</p> <p>Through our work over the existence of the Trust's assets we tested the Trust's asset verification exercise completed in the year. This requires budget holders to verify the existence of assets documented as being held with their departments. Due to the ongoing pandemic it was not possible to complete the exercise in full. The Trust worked hard to ensure 93% of the assets (by net book value) were verified.</p> <p>There is a risk that some of the lower value assets do not exist.</p> <p>We recommend the Trust ensure the verification exercise in 2021/22 covers all assets.</p>	<p>Accepted, those assets which were not physically verified in 20/21 will be verified prior to 21/22 accounts. This was also impacted by Covid-19 restrictions.</p> <p>Officer: Financial Accountant</p> <p>Due date: 31 March 2022</p>



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Appendix Four

Recommendations raised (continued)

#	Ris k	Is s ue, Impact and Re commendation	Ma nagement Response / Officer / Due Date
3	3	<p>Formalisation of year-end accruals control</p> <p>As part of our audit we have considered the design and implementation of the controls associated with the preparation of month-end and year-end accruals.</p> <p>We identified that at both month end and the year-end, a review of accruals is undertaken however this control is not formal and therefore there is no audit trail.</p> <p>To ensure completeness, existence and accuracy of accruals posted throughout the year, the Trust should formalise the review of accruals at the month end and year end. We recommend the review includes a comparison against budget as well as prior year accruals to identify potential inaccuracy, stagnant accruals or incomplete accruals. Segregation of duties should be enforced and review of this control should be formally documented and reviewed by an appropriate member of the finance team.</p>	<p>This is undertaken in detail but the process will be formalised with Deputy Director of Finance sign off for all accruals at year end.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: 15th April 2022</p>
4	2	<p>Hewitt Centre controls</p> <p>We identified two issues through our testing of private patient income controls within the Hewitt Centre.</p> <p>1. Daily banking reconciliations</p> <p>Through our testing of the daily banking reconciliation in the Hewitt Centre we identified that, for one out of fifteen days sampled, the daily banking pack could not be located. This meant that the audit team were unable to verify if the system report for income recorded reconciled with the till report from that day. Till reports are paper based/printed from the till each day and the sole copy held in the daily banking pack which is sent off to storage.</p> <p>There is a risk that income is overstated if the system says more income received than actually was taken by the till or income is understated and cash taken that day is not recorded - potential of missing cash (fraud risk).</p> <p>2. Monthly debtors checks.</p> <p>We were unable to perform a walkthrough of the control in place due to a lack of supporting evidence. Therefore we were unable to conclude that the control is designed and implemented correctly.</p> <p>There is a risk that debtors are not recovered on a timely basis before they are passed on to the debt collection agency.</p> <p>We understand the Finance team has reviewed the income controls that take place in the Hewitt Centre in the year.</p> <p>We recommend that the supporting evidence is maintained for the daily banking checks or an alternative process is put in place. We recommend that the monthly debtors checked are recorded so there is a clear audit trail of action taken by the Trust.</p>	<p>A number of changes to processes and procedures are underway with Hewitt Fertility Centre and this will form part of that. Further integration into the Trust Finance function will be in place.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: 31st March 2022</p>

Appendix Four

Recommendations raised (continued)

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
5	2	<p>Apportionment of value to assets under construction at the year end</p> <p>Where the Trust has a significant ongoing capital project at the year end where some of the assets involved are in use and some are considered an asset under construction we recommend the Trust carefully consider how to apportion the value of the works to the part of the asset still under construction.</p> <p>We understand it is a complex process to apportion value to the assets under construction. We recommend the Trust consider their approach in advance of year end and involve members of the Estates team to enable them to apportion works completed in the most appropriate way.</p> <p>This could be relevant in the 2021/22 financial year as a result of the ongoing Crown Street enhancement programme.</p>	<p>This will always be an estimate. However a number of options and discussion with the Estates Project Team will take place prior to 2021/22 accounts, particularly in relation to the Crown Street Enhancements programme.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: 15th April 2022</p>
6	3	<p>Calculation of Whole Time Equivalent (WTE) average staff numbers</p> <p>The Trust is asked to calculate the average number of employees. As per the NHS Foundation Trust Annual Reporting Manual 2020/21 the calculation should be performed using the following method:</p> <p><i>The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The "contracted hours" method of calculating whole time equivalent number should be used, that is, dividing the contracted hours of each employee by the standard working hours.</i></p> <p>Through our testing of this disclosure we identified that the Trust has calculated this disclosure using a yearly average. While we understand that it is onerous to calculate this on a weekly basis, we recommend that the Trust calculate this on a monthly basis instead.</p>	<p>Accepted. Note that monthly internal reporting of WTE is undertaken each month as part of budget monitoring. These monthly values will be used to calculate an average WTE in future years.</p> <p>Officer: Head of Financial Management</p> <p>Due date: 31st March 2022</p>

Appendix Four

Recommendations raised (continued)

#	Ris k	Is s ue, Impact and Re commendation	Ma n a g e m e n t R e s p o n s e / O f f i c e r / D u e D a t e
7	2	<p>NHS mismatches incorrectly moved to non-NHS in the Trust Accounts Consolidation schedules</p> <p>Through our testing of the Agreement of Balances process we identified a number of balances with NHS counter-parties that were moved in the Trust Accounts Consolidation (TAC) schedules to the non-whole of government accounts (WGA) line in order to remove the mismatches that had arisen.</p> <p>There is a risk that mismatches over 300k exist that are reportable to the NAO are omitted from the TAC schedule. We have reported these on pages 40-41 and this will form part of our NAO return.</p> <p>We recommend that the Trust does not move balances to non-WGA lines in the TAC schedules and instead includes all NHS transactions within the NHS lines.</p>	<p>Accepted. This will be amended in the future.</p> <p>Officer: Financial Controller</p> <p>Due date: 31st March 2022</p>

Appendix Five

Recommendations followed up

We have also follow up the recommendations from the previous years audit, in summary:

Total number of recommendations	Number of recommendations implemented	Number outstanding (repeated below):
5	3	2

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
1	③	Authorisation of Journals Testing of the controls over journal authorisation in the first 9 months of the financial year identified 5/40 journals for which evidence could not be provided for their review and approval and a further 5/40 journals that were signed as approved on the date of the audit testing. From our work completed at our final audit visit 30 journals out of 192 were retrospectively approved by the Trust. Therefore there is a risk that the journals had been processed without having been appropriately reviewed and authorised. The Trust has now moved to online/electronic process of approval, which should now mitigate this risk, however the Trust should ensure that there are appropriate controls in place to ensure segregation of duties in all instances.	Accepted. The new process will stop the possibility of this happening. Further training has been given to individuals concerned. Deputy Director of Finance May 2020	Implemented.
2	②	Contracts with Non-NHS Counterparts Our testing of the contracts in place with the non-NHS counterparts identified that none of the three contracts we tested had been signed before the start of the financial year. One was signed in July 2019 and the final one in March 2020. We recommend that contracts are signed in a more timely manner to ensure accurate and complete financial planning and monitoring can take place.	The new Head of Procurement & Contracts will be responsible for this area. The Contracts database will be used to proactively ensure contract signature. Head of Procurement & Contracts October 2020	Progress has been made in this area however we consider this to be outstanding. This is because as a result of the pandemic, contracts were rolled forward from the 2019/20 year.

Appendix Five

Recommendations followed up (continued)

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
3	②	<p>Private Patient Income</p> <p>Testing of the controls over the processing of private patient income identified that the daily banking reconciliations are sent for storage by the Hewitt Centre every two months and therefore we were unable to place reliance on the operation of the control over the entire financial year due to the supporting evidence not having been retained.</p> <p>We understand that the Trust are working with the Hewitt Centre more widely on the processes and controls in place and as part of that review we recommend that the Trust consider the retention policy in place for the storage of the daily banking reconciliation to enable access to the supporting evidence to be gained throughout the financial year.</p>	<p>Both the HFC review and the implementation of paper free processes trust wide, and better use of the IDEAS system should alleviate this issue.</p> <p>Divisional Manager, Gynaecology</p> <p>October 2020</p>	Superseded by recommendation 4 on page 32
4	②	<p>Communication of Key Audit Issues</p> <p>During the final audit we became aware of changes to the processing and authorisation of journals that had been in place for a number of months, which resulted in additional testing having to be completed.</p> <p>We recommend that key issues that may impact core processes and accounting judgements are communicated to us throughout the financial year to help alleviate the pressure in the final audit visit.</p>	<p>Noted and will ensure this is done in future.</p> <p>Deputy Director of Finance</p> <p>May 2020</p>	<p>Implemented.</p> <p>We continue to encourage in future years that any areas of judgement in the balance sheet, particularly in relation to the prudent interpretation of accounting standards on accruals, provisions and deferred income are discussed with us in advance of year-end to agree a position before production of the draft accounts.</p>

Appendix Five

Recommendations followed up (continued)

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
5	2	<p>NHS income adjustments classification</p> <p>At the beginning of each financial year, the Trust must make a number of adjustments for NHS income that it accrued for at the end of the previous financial year. Due to how the agreement of balances (AOB) submissions work, when the Trust sends out their income statements to commissioners/other Trusts for the current year's AOB, they have to exclude any invoices raised in the current year that actually relate to the previous year. They then journal the variance between what was accrued and what was actually received off the various NHS bodies onto this specific 'NHS but classified as non NHS' code so their statements only include current year income as raised on current year sales invoices. Therefore when the accounts are produced the adjustments to NHS income are posted as non NHS income. This is also the case for the NCA mismatch identified in Appendix 2. The majority of this balance is shown as non-NHS in the financial statements. The Trust has been able to demonstrate the net impact is 55k</p> <p>We recommend that the Trust reviews the current process to ensure that the income is classified into the correct categories in both the financial statements and the accounting consolidation schedules.</p>	<p>The Trust follows NHSI guidance to exclude prior year balances. The net values are not material. The Trust will seek further guidance and review the process in the 2019/20 year to determine whether changes are required.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: March 2020</p>	<p>This was not an issue in the 2020/21 year because of the nature of the financial regime the Trust is in therefore we will continue to follow this up in the coming year.</p> <p>We identified a similar point this year on the payables as £3.3m of payables moved from NHS to non-WGA in the TACs. See page 38 for further details.</p>

There are also four recommendations outstanding relating to Quality Accounts that were originally raised in our 2018/19 ISA260. Due to the Covid-19 pandemic the quality accounts audit was not mandatory in 2020/21 and will not be mandatory in future years. Therefore we have not followed up the status of these recommendations in the year.

Appendix Six

Audit Differences

Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK&I) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit Committee, details of all adjustments greater than £110K are shown below:

Unadjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Accruals		0.859	Through our testing of Non NHS-accruals we identified four accruals (0.478m, 0.172m, 0.137m and 0.072m) which we do not believe meet the criteria to be recognised as an accrual or a provision at the year end.
	Cr Expenditure	(0.859)	-	
Total		(0.859)	0.859	

Through our testing of the Agreement of Balances process we also identified a number of balances, totalling £3,300k, with NHS counter-parties that were moved in the Trust Accounts Consolidation (TAC) schedules to the non-whole of government accounts (WGA) line in order to remove the mismatches that had arisen as a result of the original mismatch report.

On pages 40-41 we have outlined any items where the amount transferred was greater than £300k or the mismatch that should be disclosed if treated correctly becomes greater than £300k. In all instances where this is the case, we have obtained evidence that it is appropriate for the Trust to recognise a liability for a deferral of income or an accrual which has led to the mismatch as the counter-party has not included the corresponding debtor.

As an inconsistency arises between the financial statements and the TAC schedule we will report an inconsistency in our consistency opinion. The details are as follows:

There is a variance of £826,000 between the audited financial statements and the consolidation schedules.

As per the audited financial statements, note 21.1 'of which payables from NHS and DHSC group bodies: Current' the value is £4,389,000.

As per TAC20 'payables of which payable to NHS and DHSC group bodies: Current' the value is £3,563,000.

This variance arises as there are three accruals that the Trust has against three NHS counter-parties that have not allocated against those counter-parties in the consolidation schedules.

Appendix Six

Audit Differences

Under UK auditing standards (ISA UK&I 260) we are required to provide the Audit Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Adjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Accruals Cr Provisions	- -	1.338 (1.338)	Through our sample testing of accruals we identified two VAT creditor balances. As it is probable that these amounts will be payable rather than definite we believe this should be classified as a provision rather than an accrual. This was a classification error with a nil effect on the statement of comprehensive income. This has been corrected by the Trust.
2	Dr Accruals Dr Capital Payables Cr Trade Payables	- - -	2.961 0.370 (3.331)	Through our sample selection of accruals and capital payables we identified balances that appeared to be in both underlying transaction listings. Upon query with management it was explained and evidenced that this was not the case but there was a recategorisation of the balances that needed to take place to reflect the substance of the underlying transactions.
3	Dr Deferred income Cr Debtor	0.546 (0.546)		This relates to two amounts held as deferred income at the year end (0.4m and 0.146m). For both items identified through our testing of the year end deferred income the income relates to the 2021/22 financial year. No cash has been received and no expenditure has been incurred. These items should not form part of the financial statements for the year ended 31 st March 2021.
Total		0.0	0.0	

There have been a number of small, insignificant presentational adjustments to the Annual Report.

Appendix Seven

Audit Differences

We are required to report any inconsistencies greater than £300,000 between the signed audited accounts and the consolidation data and details of any unadjusted errors or uncertainties in the data provided for intra-group and intra-government balances and transactions regardless of whether a Trust is a sampled or non-sampled component. As per page 38 we identified some instances where a mismatch over £300,000 would have arisen if the Trust had included the balance against the counter-party. While we draw your attention to the below items we will not be reporting these to the NAO as we are satisfied with the underlying accounting treatment.

Counter party	Type of balance/ transaction	Balance as per Trust (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments
CBA033-NHS England	Creditor	0	30	30	Reported here as 431k incorrectly moved to non-WGA line and therefore a mismatch over 300k should arise if treated correctly.
99A-NHS LIVERPOOL CCG	Creditor	604	200	404	Reported here as 777k incorrectly moved to non-WGA line which would increase the mismatch to 1,181k if treated correctly.
HEE033-Health Education England	Creditor	0	39	39	Reported here as 549k incorrectly moved to non-WGA line and therefore a mismatch over 300k should arise if treated correctly.
FREM-Liverpool University Hospitals NHS Foundation Trust	Creditor	1,145	1,144	1	Reported here as 563k incorrectly moved to non-WGA line and therefore a mismatch over 300k should arise if treated correctly.

Appendix Seven

Audit Differences (continued)

Counter party	Type of balance/ transaction	Balance as per Trust (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments on Difference
FRBS-Alder Hey Childrens NHS Foundation Trust	Creditor	546	503	43	Reported here as 642k incorrectly moved to non-WGA line and therefore a mismatch over 300k should arise if treated correctly.



Appendix Eight

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of the Liverpool Women's NHS Foundation Trust

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP [partners/directors] and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications

- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

We have considered the fees charged by us to the Trust for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2020/21	2019/20
	£'000	£'000
Audit of Trust	£76,000	£56,750
Total audit	£76,000	£56,750
Total non-audit services	£0	£1,450
Total Fees	£76,000	£58,200

Fee ratio

The anticipated ratio of non-audit fees to audit fees for the year at the time of planning is 0:1.

We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.





Appendix Eight

Confirmation of Independence (continued)

Application of the FRC Ethical Standard 2019

We communicated to you previously the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Compliance Committee and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP





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Auditor's Annual Report 2020/21

Liverpool Women's NHS Foundation Trust

15 June 2021

Key contacts

Your key contacts in connection with this report are:

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Value for money commentary	5

This report is addressed to Liverpool Women's NHS Foundation Trust (the Trust) and has been prepared for the sole use of the Trust. We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Liverpool Women's NHS Foundation Trust

Summary

Introduction

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2020-21 audit of Liverpool Women's NHS Foundation Trust (the 'Trust'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Trust alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:

- **Accounts** - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Trust and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the Group Accounting Manual prepared by the Department of Health and Social Care (DHSC).
- **Annual report** - We assess whether the annual report is consistent with our knowledge of the Trust. We perform testing of certain figures labelled in the remuneration report.
- **Value for money** - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Trust's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.
- **Other reporting** - We may issue other reports where we determine that this is necessary in the public interest under the Local Audit and Accountability Act.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities:

Accounts	We issued an unqualified opinion on the Trust's accounts on 14 June 2021. This means that we believe the accounts give a true and fair view of the financial performance and position of the Trust. We have provided further details of the key risks we identified and our response on page 4.
Annual report	We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Trust. We confirmed that the Governance Statement had been prepared in line with the DHSC requirements.
Value for money	We are required to report if we identify any matters that indicate the Trust does not have sufficient arrangements to achieve value for money. We have nothing to report in this regard.
Other reporting	We did not consider it necessary to issue any other reports in the public interest.

Liverpool Women's NHS Foundation Trust

Accounts audit

The table below summarises the key risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Risk	Findings
<p>Valuation of Land and Buildings</p> <p>There is significant judgements involved in determining the appropriate valuation basis for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation. There is therefore a risk that the value of land and buildings is materially misstated in the financial statements.</p>	<p>We did not identify any material misstatements relating to this risk.</p> <p>We raised a recommendation relating to enhancing the controls already in place to challenge the Valuer on the valuation report provided and the underlying assumptions.</p> <p>We considered the estimate to be balanced based on the procedures performed.</p>
<p>Management override of controls</p> <p>We are required by auditing standards to recognise the risk that management may use their authority to override the usual control environment.</p>	<p>We did not identify any material misstatements relating to this risk.</p>
<p>Fraudulent expenditure recognition</p> <p>In the 2020/21 financial year, systems are expected to breakeven but individual organisations can deliver surplus or deficit positions by mutual agreement within the system. The Trust had agreed a deficit position of £4.6m.</p> <p>There is a risk that given the achievable nature of the agreed breakeven, management judgements will be made to record expenditure and creditors within 2020/21 which actually relate to 2021/22 or, in the case of accruals and provisions, do not meet the recognition criteria such as representing a probable outflow of resources.</p> <p>As a result of this we consider the risk to be in relation to the existence and accuracy of non-pay/non NHS expenditure during quarter 4 of 2020/21 and material year end non-pay/non-NHS payables balances.</p>	<p>We did not identify any material misstatements relating to this risk.</p> <p>We identified a number of audit adjustments that were made by management relating to classification. Management reflected these changes in the financial statements.</p> <p>We have identified four unadjusted audit adjustments in this area. We identified four accruals that we believe do not meet the definition of an accrual and also do not meet the requirements of IAS37 to be recognised as a provision. The value of these (£0.859m) is below our materiality.</p> <p>We raised a control recommendation around formalising the controls over year end accruals.</p>
<p>Fraudulent revenue recognition</p> <p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p>	<p>We rebutted this risk as part of our audit planning procedures therefore we have no further matters to report.</p>

Liverpool Women's NHS Foundation Trust

Value for money

Introduction

We consider whether there are sufficient arrangements in place for the Trust for each of the elements that make up value for money. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

Further details of our value for money responsibilities can be found in the Audit Code of Practice at [Code of Audit Practice \(nao.org.uk\)](https://www.nao.org.uk)

Matters that informed our risk assessment

The table below provides a summary of the external sources of evidence that were utilised in forming our risk assessment as to whether there were significant risks that value for money was not being achieved:

Care Quality Commission rating	Good (April 2020)
Single Oversight Framework rating	3
Governance statement	There were no significant control deficiencies identified in the governance statement.
Head of Internal Audit opinion	Substantial assurance.

Commentary on arrangements

We have set out on the following pages commentary on how the arrangements in place at the Trust compared to the expected systems that would be in place in the sector.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant risks identified

Liverpool Women's NHS Foundation Trust

Value for money

Financial sustainability	
Description	Commentary on arrangements
<p>This relates to ensuring that the Trust has sufficient arrangements in place to be able to continue to provide its services within the resources available to it.</p> <p>We considered the following areas as part of assessing whether sufficient arrangements were in place:</p> <ul style="list-style-type: none"> How the Trust sets its financial plans to ensure services can continue to be delivered; How financial performance is monitored and actions identified where it is behind plan; and How financial risks are identified and actions to manage risks implemented. 	<p>The Covid-19 pandemic has had a major impact on the NHS and this has resulted in changes to the financial planning regime. On 17 March 2020 normal contractual arrangements with NHS providers were suspended and the NHS moved to block contract payments on account. The value of these was determined centrally, rather than being agreed between the CCG and the providers. NHS organisations were also reimbursed with additional funding as required in order to reflect the additional costs incurred as a result of Covid-19. For months 7-12 of NHSE/I provided allocations for each provider to cover additional cost pressures due to Covid-19 and the provision of services.</p> <p>We found that the budget monitoring and control processes were able to identify and incorporate significant pressures into the financial plan to ensure it was achievable and realistic. The initial draft budgets were constructed based on appropriate local and national planning assumptions and we saw evidence of appropriate review and sign off by the relevant budget holders. Cost pressures at the planning process are reviewed by the Trust Management Group and the Executive team. There is a monthly review of budget statements by budget holders and the budget is monitored by the Finance, Performance and Business Development (FPBD) Committee.</p> <p>Following changes to the funding regime for months 7-12 the Trust presented a Financial Plan with a deficit of £4.6m in October 2020. For the first 6 months of the year the top-up payment equated to £1.4m per month whereas the Trust is allocated c600k per month for months 7-12. This reduction in top-up payments led to the Trust planning for the deficit noted above. At the time of our risk assessment the Trust is forecasting a deficit of £4.4m.</p> <p>The Trust had originally identified £3.7m of CIP scheme for the 2020/21 financial year. However CIP delivery was not required nationally for the first half of the year and was not reportable to NHSI. The Trust continued to monitor and deliver CIP schemes that were deemed safe throughout the first 6 months, delivering 953k to month 6. The Trust delivered £2m of CIP schemes across the full financial year with the majority of these being recurrent schemes.</p> <p>At the time of writing, the Trust has submitted the financial plan for the first six months of 2021-22 forecasting a balanced position. The plan is based on NHSE/I guidance that the current arrangements will remain in place for at least the first half of 2021-22; and there is uncertainty about the remainder of the year.</p> <p>(continued)</p>

Liverpool Women's NHS Foundation Trust

Value for money

Financial sustainability (continued)	
Description	Commentary on arrangements
	<p>(continued)</p> <p>Therefore the continued impact of the pandemic, as well as the long term demand changes it will cause, means it is difficult to quantify the impact on the finances within the sector.</p> <p>The Trust continues to work on the Future Generations Strategy (discussed further on page 11) which will require capital funding in the long-term.</p> <p>Conclusion</p> <p>Based on the procedures performed we have not identified any significant weaknesses in the Trust's financial sustainability arrangements in place to oversee and monitor their value for money achievement.</p>

Liverpool Women's NHS Foundation Trust

Value for money

Governance	
Description	Commentary on arrangements
<p>This relates to the arrangements in place for overseeing the Trust's performance, identifying risks to achievement of its objectives and taking key decisions.</p> <p>We considered the following areas as part of assessing whether sufficient arrangements were in place:</p> <ul style="list-style-type: none"> Processes for the identification and management of strategic risks; Decision making framework for assessing strategic decisions; Processes for ensuring compliance with laws and regulations; How controls in key areas are monitored to ensure they are working effectively. 	<p>We consider the Trust to have effective processes in place to monitor and assess risk. Strategic risks are recorded and identified using the Board Assurance Framework, and any identified risks are reported to the appropriate governing body. Our review of the risk register found this was sufficiently detailed to effectively manage key risks. The Trust has a detailed Risk Management Strategy in place updated in March 2019 and reviewed in the year.</p> <p>The Trust has adequate controls in place to prevent and detect fraud.</p> <p>The financial planning regime significantly changed for 2020-21. A financial plan had already been approved by the Finance, Performance and Business Development (FPBD) committee and Board before the suspension. The plan advised to the Trust was that its commissioners were to distribute income in block contract payments. Changes to income were made accordingly in the plan. Expenditure budgets were not changed. This was approved by FPBD at their meeting in May 2020 and Board in early July 2020.</p> <p>We found there to be appropriate scrutiny and challenge of the budgets and appropriate approval through the budget holders and the FPBD Committee. We also found appropriate processes in place to ensure accurate recording and monitoring of the additional costs associated with Covid-19.</p> <p>Reviews of compliance with laws & regulations, staff code of conduct and the Trust's constitution is completed through Board meetings, the Trust's Effectiveness Senate, Audit Committee and other governance structures as identified through our testing.</p> <p>The Trust has ensured appropriate scrutiny, challenge and transparency on decision making. The Trust guarantees key decisions are appropriately challenged and scrutinised by the executive team through a refreshed business case process which is considered alongside the Trust's SFIs and Corporate Governance Manual. Business cases are presented to the Board where required due to their size. For example the EPR Business Case which was approved by the Board following an extensive review process through the Trust's committee structure.</p> <p>The Trust also had a CQC review rating of Good at the last review in December 2019 with some improvement required within well-led. This was specifically relating to Gynaecology services. The Trust increased Executive oversight within the service until issues were addressed satisfactorily. The Trust has commissioned an external Well-led review in 2020/21 which has not identified any significant issues. The Trust was subject to a warning notice from the CQC in relation to medicine management. This notice was stood down in September 2020. The Trust included a medicine management review as part of MIAA, the Internal Auditor, internal audit plan for the year.</p> <p>(continued)</p>

Liverpool Women's NHS Foundation Trust

Value for money

Governance (continued)	
Description	Commentary on arrangements
	<p>(continued)</p> <p>In the 2020/21 financial year there have been no breaches of legislation or regulatory standards that has led to an investigation by any legal or regulatory body.</p> <p>We have reviewed overall governance arrangements in place and found appropriate processes are in place and we have not identified any significant weaknesses.</p> <p>Conclusion</p> <p>Based on the procedures performed we have not identified any significant weaknesses in the Trust's governance arrangements in place to oversee and monitor their value for money achievement.</p>

Liverpool Women's NHS Foundation Trust

Value for money

Improving economy, efficiency and effectiveness

Description	Commentary on arrangements
<p>This relates to how the Trust seeks to improve its systems so that it can deliver more for the resources that are available to it.</p> <p>We considered the following areas as part of assessing whether sufficient arrangements were in place:</p> <ul style="list-style-type: none"> ▪ The planning and delivery of efficiency plans to achieve savings in how services are delivered; ▪ The use of benchmarking information to identify areas where services could be delivered more effectively; ▪ Monitoring of non-financial performance to assess whether objectives are being achieved; and ▪ Management of partners and subcontractors. 	<p>We note that from the 17 March 2020 QIPP/CIP programmes were put on hold in accordance with national guidance. This was to allow CCGs and providers to respond to the pandemic. For months 7 to 12 any service redesign, service extension and/or transformation are to be based on provider capacity, Infection Prevention and Control guidelines and estates.</p> <p>Despite this the Trust internally reports CIP achievements against the original plan and against the revised plan submitted to NHSI (reportable from month 7 onwards). For months 7 to 12 the Trust set a target of £1.1m which it delivered. It is recognised that going forward CIP targets will be very challenging.</p> <p>A paper is presented to each meeting of the Trust's FPBD Committee and Trust Board in order to report on financial performance, allowing the Trust to assess the level of value for money being achieved. Management also maintains and monitors costs by reviewing the information received from benchmarking through review partnerships and the NHS Corporate Benchmarking Exercise. This is used during the CIP planning process.</p> <p>Where issues with performance are identified, for example as part of the CQC inspection, the Trust is able to respond to this by increasing Executive oversight in these areas.</p> <p>The Trust's FPBD and Board also receive a monthly operational report which covers workforce, continuity of care, maternity and access standards. The report shows key data and progress throughout the year and provides narrative to explain the metrics where there is challenge to achievement and the steps taken to address improvement. This is in addition to the full board performance report. This allows the Board to monitor the performance of services and focus attention on areas of underperformance.</p> <p>The Trust engages in a number of partnerships including the Cheshire and Merseyside Health & Care Partnership, Liverpool Provider Alliance, Alder Hey to implement the Liverpool Neonatal Partnership on two sites and Liverpool University Hospitals Foundation Trust. Throughout the pandemic the Trust has supported other providers by delivering mutual aid.</p> <p>The Chief Executive Report provided to each Board meeting contains a section on news and developments within the immediate health and social care economy. This provides an opportunity for the Board to be updated on the work done through the partnerships the Trust is involved in. This is considered an appropriate and adequate arrangement.</p> <p>(continued)</p>

Liverpool Women's NHS Foundation Trust

Value for money

Improving economy, efficiency and effectiveness (continued)	
Description	Commentary on arrangements
	<p>(continued)</p> <p>The Trust continues to work to deliver the Future Generations Strategy. The long-term preferred option remains a new build located alongside other adult hospital services in Liverpool. This is a long-term plan and will require NHS England approval and the required funding. The Trust continues to seek to demonstrate the clinical need for change in the long term. It does so while increasingly working in partnership with partners across Cheshire and Merseyside to provide the best care in the short and medium term. This includes investing in short to medium term developments in partnership such as the recently completed neonatal unit.</p> <p>Conclusion</p> <p>Based on the procedures performed, we have not identified a significant weakness in the Trust's arrangements in place for improving economy, efficiency and effectiveness to secure its value for money achievement.</p>



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Council of Governors 'Finance and Operational Performance Group'

Minutes of the Council of Governors 'Finance and Operational Performance Group'
held virtually at 5.30pm on 24th May 2021

PRESENT

Denise Richardson	Public Governor (Chair)
Kate Hindle	Lead Governor
Jackie Sudworth	Public Governor
Peter Norris	Public Governor

IN ATTENDANCE

Tracy Ellery	Non-Executive Director
Ian Knight	Non-Executive Director
Jenny Hannon	Director of Finance
Gary Price	Chief Operating Officer
Mark Grimshaw	Trust Secretary (Minutes)

APOLOGIES:

Cynthia Dowdle	Appointed Governor
Valerie Fleming	Appointed Governor
Rebecca Holland	Staff Governor

21/22/	
01	Introduction, Apologies & Declaration of Interest The Chair welcomed all to the meeting and noted apologies as above. No declarations were noted.
02	Meeting Guidance Notes Noted.
03	Minutes of the Previous Meeting held on 26 January 2021 The minutes of the meeting held on 26 January 2021 were agreed as an accurate record.
04	Action Log and matters arising No open actions noted.
05	Finance, Performance & Business Development Committee and Audit Committee Chair Reports <i>Finance, Performance & Business Development Committee</i> Tracy Ellery, Non-Executive Director introduced the Chair's Reports for the February, March and April 2021 Committee meetings and provided a verbal update on the meeting held on 24 th May 2021. It was noted that the Committee continued to be kept up-to-date regarding the NHS funding landscape and a presentation had been received in relation to the national planning process for 2021/22. The Committee noted the difficulties faced to achieve a break-even position. It was hoped that support would be made available from the Health and Care

	<p>Partnership (HCP) in order to submit a credible and realistic breakeven plan for the first half of the year.</p> <p>The Committee had received the Month 1 finance performance and highlighted concern in relation to the cash position. The Committee requested more detail and assumptions against the cash flow within the next report. It was noted that the position was linked to the funding allocated to the Trust during 2020/21 (as outlined above).</p> <p>As part of the year-end process, the Committee had received the full analytical review of the unaudited accounts ahead of full review by Audit Committee in June 2021.</p> <p>In terms of operational performance, the Committee had been assured by a detailed report which outlined the recovery and restoration trajectories against the Trust's key performance standards for 2021/22. It was noted that attaining performance targets remained a challenge due to the impact of Covid-19. The Committee was assured that the Executive Committee had weekly oversight of planned activity against actual activity to closely monitor the position.</p> <p><i>Audit Committee</i></p> <p>Tracy Ellery, Non-Executive Director, reported that the March 2021 meeting had received three internal audit reports; 1) Medicines Management (Neonatal) (High Assurance) 2) Global Digital Exemplar (GDE) Programme (Substantial Assurance), and 3) Data Security & Protection Toolkit (no issues highlighted). It was remarked that the high assurance for medicine management in neonates was particularly positive and it was noted that learning could be taken for other areas in the Trust. The Committee was preparing for the year-end review and sign off process for the Annual Accounts and reports. The Trust was on-track for submitting audited accounts by the 15 June 2021 deadline.</p> <p>The Group noted the assurances provided by the Non-Executive Directors in terms of the activity being undertaken by the Board's Committees.</p>
06	<p>Financial Outlook 2021/22</p> <p>The Group received a presentation in relation to the national planning process for 2021/22 and noted the difficulties faced to achieve a break-even position. The overall plan received from the HCP left the Trust at least £2.3m short of being able to deliver a breakeven plan. It was noted that work was continuing with the HCP to try and resolve the position to enable a breakeven plan for the first half of 2021/22 to be submitted.</p> <p><i>After the Group meeting the Cheshire and Merseyside HCP allocated additional system monies to the Trust. This funding along with Elective Recovery Funding and some other smaller movements allowed the Trust to submit a credible and realistic breakeven plan for the first half of the year. Delivery of the plan however was not without significant challenge, including achieving stated activity levels and CIP.</i></p> <p>The Group noted the update.</p>
07	<p>Covid-19 Operational Performance Recovery</p> <p>The Chief Operating Officer explained that on the 25 March 2021 the NHS operational planning guidance for 2021/22 was published detailing the operational guidance for the year ahead. The guidance had a focus on recovery and restoration of services. The Chief Operating Officer continued to detail the Trust's recovery trajectories for key areas relating to performance of waiting times.</p> <p>The Chief Operating Officer reported as of Month 1, day case activity was above the national plan but below the Cheshire & Merseyside (C&M) and Trust plan, due to case mix and clinical priority of inpatients whereby inpatient activity had been above the national, C&M and Trust</p>

	<p>restoration plan. For outpatient activity the Trust had overachieved against the national and Cheshire and Merseyside trajectories but had been slightly behind Trust plans. A review of clinician templates and additional consultant capacity as of June 2021 would provide resolution to this issue.</p> <p>The Group noted the update.</p>
08	<p>Review of risk impacts of items discussed</p> <p>None noted.</p>
09	<p>Any other business</p> <p>The Trust Secretary noted that information regarding a NHS Providers training course on finance would be circulated to all governors.</p>
10	<p>Review of meeting</p> <p>No comments made.</p>

Date of Next Meeting: 26 July 2021

Minutes of the Quality and Patient Experience Governor Sub-Group
held virtually at 1730hrs on Monday 21st June 2021

PRESENT

Sara Miceli-Fagrell (Chair)	Public Governor
Jackie Sudworth	Public Governor
Yaroslav Zhukovskyy	Public Governor
Peter Norris	Public Governor

IN ATTENDANCE

Tony Okotie	Non-Executive Director
Marie Forshaw	Director of Nursing & Midwifery
Michelle Turner	Chief People Officer
Lynn Greenhalgh	Medical Director
Lisa Gregory	Executive Assistant/Minute Taker
Mark Grimshaw	Trust Secretary
Jo Moore	Non-Executive Director
Ian Knight	Non-Executive Director

APOLOGIES:

Robert Clarke	Chair of LWH Board
Kate Hindle	Lead Governor / Staff Governor

21/22/	Items Covered
010	<p>Introduction, Apologies and Declarations of Interest. Sara Miceli-Fagrell (Chair) welcomed everyone to the meeting.</p> <p>Declarations of interest There were no declarations of interest.</p>
011	<p>Meeting Guidance notes Noted.</p>
012	<p>Minutes of the previous meeting held on 26 April 2021 The minutes of the meeting held on Monday, 26 April 2021 were approved.</p>

013	<p>Action Log and Matters Arising</p> <p>There were two outstanding matters on the Action Log.</p> <p>Ockenden would go to the Council of Governor's meeting of July 2021.</p> <p>Mark Grimshaw requested Governor's input on priorities on service.</p> <p>Mark Grimshaw advised that additional Fair & Just Culture training would take place in September 2021; Governor's would be invited to join a session. Michelle Turner advised that the guidance around training would be circulated to the group. The Group noted that members of the Trust Board had attended a training session in October 2020.</p>
014	<p>Quality Committee, Putting People First Committee and Patient Involvement & Experience Reports</p> <p>Quality Committee</p> <p>Tony Okotie updated the Committee on key items covered in recent Quality Committees.</p> <p>A recent update regarding CNST compliance had been provided. The Committee had been notified of an issue relating to compliance against Safety Action 6 (the Saving Babies Lives (SBL) care bundle). The Trust had proposed a deviation against element 2 of 5 elements within standard 6 which had not been accepted by the Service Clinical Network. Assurance was provided that the relevant Trust guideline had been updated and would be ratified by the end of the week.</p> <p>The Chair questioned whether there had been any implications around this. Lynn stated that patient care was never compromised. Peter Norris questioned whether the Trust's view was aligned with other trusts around the country. Lynn updated that there was a other maternity units were in agreement with the Trust's position in addition to senior professors in the field.</p> <p><i>Ian Knight – Non-Executive Director joined the meeting.</i></p> <p>Tony Okotie reported on a deep dive which had taken place, looking at cerebral palsy cases. It was noted that this was an excellent piece of work and an example of effectively learning lessons.</p> <p>Putting People First Committee</p> <p>Jo Moore updated the Group on key items covered in recent Putting People First Committee.</p> <p>Jo advised the Group of a positive story from the Physiotherapy Manager around culture change.</p> <p>The Group noted that moderate assurance had been gained from the MIAA regarding mandatory training, an improvement from a previous audit. Jo updated that risks relating to compliance figures had been reviewed and that further information had been requested.</p> <p>Jo updated that the Committee was continuing to monitor workforce issued relating to the roll out of the Continuity of Carer model and that the clinical staff survey results would aid in addressing any issues.</p> <p>Patient Involvement & Experience Committee</p> <p>Marie Forshaw updated the Group on key items covered in recent Patient Involvement &</p>

	<p>Experience Committee.</p> <p>The Group noted the following –</p> <ul style="list-style-type: none"> • Changing facilities for disabled people – under discussion • Virtual translation service – under discussion • Reasonable adjustments for patients with learning difficulties <p>Marie updated the Group that the Trust was doing well in relation to the national complaint's framework. It was noted that the Gynaecology Division had presented a very good paper on quality standards and the terms of reference for the committee had been reviewed.</p> <p>Jackie Sudworth stated that it was good to hear that the experience for patients with disabilities was moving forward.</p> <p>Resolved</p> <p>The Committee received and noted the Reports. The Chair thanked the presenters and contributors for their updates.</p>
015	<p>Maternity Diverts</p> <p>Marie Forshaw updated the Group that the Maternity division had gone into divert on two occasions over the past 3 weeks. Marie advised the Group that the divert policy meant suspending maternity services for a maximum of 96 hours. The Group noted the processes involved, including the Executive on-call and informing NWAS. Marie advised that the division was required to keep details of all patients diverted and it was noted that 56 patients had received letters of apology. Marie advised that staff shortages had been the principal reason for the divert and that a lot of work had taken place around rectifying the current situation including conversations with other Directors of Nursing & Midwifery across Cheshire & Mersey. The Group noted the HR were working with NHSP, looking at supplying the Trust with midwives from the NHS bank.</p> <p>Michelle Turner stated that maternity sickness stood 8% vs 4-5% for the rest of the organisation and that there was lots of work taking place, to better understand the high level of sickness. The Chair questioned why the levels of maternity sickness were almost double that of the rest of the organisation. Michelle updated that it was multifactorial. The following reasons were noted –</p> <ul style="list-style-type: none"> • Staff not getting enough downtime • Improvements required in line management supervision • Flexible working <p>Jackie asked where patients were diverted to. Marie updated that the majority of patients had been diverted to Warrington and Chester. Jackie questioned whether delivery plans were met with those patients diverted. Marie updated that this was still being looked in to.</p> <p>Peter questioned why these issues had impacted the Trust and not others. Marie advised that there would be a full review on the root cause; stating that primarily, it was acuity and staffing levels. The Chair questioned whether absence rates were the same for those midwives involved</p>

	<p>in CoC. Michelle asked if this could be looked in to. Marie agreed that this was something that required reviewing.</p> <p>Peter questioned what the percentage of patients who had been diverted. Marie advised an update would be brought back once the Chief Operations Officer had provided the exact figures.</p> <p>Yaroslav questioned whether the Trust had looked at international recruitment. Marie updated that the Trust was looking in to recruiting refugees into Health Care Assistant positions; that LWH would be the first trust in the country to support refugee midwives.</p> <p>Jackie asked how many student midwives had been taken on during the recent recruitment. Marie updated that the Trust had funding for 45 but had taken on 57. It was noted that 2 students had been lost to Manchester, 1 to Nottingham and 4 to the Wirral.</p>
016	<p>Update to Quality Governance Reporting Structures</p> <p>Mark presented the Group with the reporting structures, highlighting the underpinning structures reporting into the Quality Committee.</p> <p>The Group was updated that the Trust was in the process of applying to become a university hospital and that the Research & Development Sub-Committee would eventually be required to directly into the Board.</p> <p>Resolved: The Committee received and noted the updates and were assured by the information provided.</p>
017	<p>Review of risk impacts of items discussed. No additional risks were noted.</p>
018	<p>Any other business and review of meeting No other business matters were noted.</p> <p>An effective and positive meeting. Mark Grimshaw thanked the Chair.</p>
	<p>Date of next meetings:</p> <ul style="list-style-type: none"> The next full Public Board – Thursday, 1st July 2021 The Council of Governors QPEG – Monday 27th September 2021 via Teams

Council of Governors 'Communications and Membership Engagement Group'

Minutes of the Council of Governors 'Communications and Membership Engagement Group'
held virtually at 5.30pm on 24th June 2021

PRESENT

Cynthia Dowdle	Appointed Governor (Chair)
Kate Hindle	Lead Governor
Jackie Sudworth	Public Governor
Yaroslav Zhukovskyy	Public Governor
Kiran Jilani	Staff Governor

IN ATTENDANCE

Robert Clarke	Trust Chair
Susan Milner	Non-Executive Director / SID
Jo Moore	Non-Executive Director / Vice Chair
Michelle Rushby	Head of Audit, Effectiveness and Patient Experience
Andrew Duggan	Head of Communications
Mark Grimshaw	Trust Secretary (Minutes)

APOLOGIES:

Lesleyanne Saville	Corporate Affairs Manager
Denise Richardson	Public Governor
Peter Norris	Public Governor

21/22/	
01	Introduction, Apologies & Declaration of Interest The Chair welcomed all to the meeting and noted apologies as above. No declarations were noted.
02	Meeting Guidance Notes Noted.
03	Minutes of the Previous Meeting held on 29 April 2021 The minutes of the meeting held on 29 April 2021 were agreed as an accurate record.
04	Action Log and matters arising 21/22/06 - The Trust Secretary noted that comments from members had been received on the draft membership strategy. Whilst the response rate had been low (three responses), there had been interesting points highlighted. These included utilising performing arts to engage with members and communicate key messages and hosting / attending engagement events outside of Trust premises to improve accessibility. These suggestions would be incorporated into the draft Membership Strategy. Jackie Sudworth queried the best way to communicate these types of opportunities to members. The Trust Secretary and Head of Communications outlined the limitations of utilising the Trust membership database email and noted that social media would be the most powerful tool.

	<p>20/21/26 - The Trust Secretary noted that an intention to work with the Learning & Development facilitator to identify opportunities for youth engagement had been incorporated into the draft Membership Strategy.</p> <p>Jackie Sudworth noted the importance of asking young people how they would want to engage with the Trust.</p>
05	<p>Membership Strategy Addendum – Actions Update</p> <p>The Trust Secretary noted that updates against the addendum actions had been included in the report and that these would now be superseded by the 2021-25 Membership Strategy action plan.</p> <p>The Trust Secretary noted the ask of current governors to record a video on their experience of being a governor to help encourage members to stand as a governor in the upcoming elections.</p>
06	<p>Patient Experience Strategy Update</p> <p>The Head of Audit, Effectiveness and Patient Experience attended to update the Group on the Women, Patients and their Families Experience Strategy that was nearing finalisation. The fundamental aim of the strategy was to ensure that women, patients, and their families receive an outstanding patient experience. It was noted that the document was aligned with NHSI Patient Experience Improvement Framework, with key gaps against this identified following an engagement exercise with the Experience Senate (attendance including Healthwatch and governors).</p> <p>A number of objectives had been established that had underpinning quality improvement projects to support progress. Examples included:</p> <ul style="list-style-type: none"> • Improving the experience of individuals calling into the Trust • Ensuring individuals with disabilities were included in the planning of services <p>The Trust Secretary queried if there would be an opportunity for membership activity to support the aims of the strategy. The Head of Audit, Effectiveness and Patient Experience stated a wish to involve governor and members into patient experience activity and the quality improvement projects e.g. attending walkabouts. Part of this would require recruiting members from underrepresented groups.</p> <p>Jackie Sudworth asked whether themes would be identified to support governor interaction with members. The Trust Secretary noted the intention of identifying monthly / quarterly themes with briefing notes to ask governors to seek feedback in their existing spheres of activity. This would then be passed back to the Group for further analysis (possibly utilising an online form). The Chair remarked that governor activity should be an adjunct to the wider patient experience work being undertaken by the Trust, rather than sitting separately.</p> <p>The Group noted the update.</p>
07	<p>Draft Membership Strategy 2021-25</p> <p>The Trust Secretary introduced an updated draft of the Membership Strategy, noting that it had been amended from the version considered by the Group in April 2021. Amendments included:</p> <ul style="list-style-type: none"> • Changing the structure of the document so that it set the scene for the proposed objectives and priorities. • Developing underpinning first year actions for each objective. Noted that these were 'baseline' actions that would establish ways of working and key processes.

	<p>Jackie Sudworth queried whether the Strategy would be made available in different languages. Kate Hindle noted that the Trust website included this facility.</p> <p>Jackie Sudworth queried the potential of developing a NED/Governor buddy relationship. The Trust Secretary noted that this was a recommendation from the recent external Well-Led Review. The Trust Chair stated that a discussion was required on the best way to build NED/Governor relationships</p> <p>Cynthia Dowdle queried the possibility of holding events with universities e.g. fresher fairs. The Trust Secretary noted that the cost of stalls could be prohibitive but undertook to explore opportunities. It was also suggested that attempts would be made to engage with university health leads.</p> <p>Action: to explore opportunities to engage with universities, their health events and health representatives (including Brownlow health).</p> <p>The Group agreed to recommend the Draft Membership Strategy 2021-25 to the Council of Governors.</p>
08	<p>Annual Member's Meeting 2021</p> <p>The Group discussed potential arrangements for the Annual Member's Meeting 2021. It was noted that Infection, Prevention and Control guidance would be taken ahead of deciding whether the event would be fully virtual, in person or a hybrid.</p> <p>The Group noted that a further discussion would be held at the Council of Governors on 22 July 2021.</p>
09	<p>Calendar of Events</p> <p>The Group noted the Calendar of Events. Jackie Sudworth noted the need to ensure that Disability Awareness Day on 12th September 2021 was included.</p>
10	<p>Review of risk impacts of items discussed</p> <p>None noted.</p>
11	<p>Any other business</p> <p>The Chair asked governors to consider a potential event for governors and / or members once restrictions relating to the pandemic were lifted or significantly reduced.</p>
12	<p>Review of meeting</p> <p>No comments made.</p>

Date of Next Meeting: 30 September 2021

Council of Governors

COVER SHEET

Agenda Item (Ref)	2021/22/30	Date: 22/07/2021		
Report Title	Membership Strategy 2021-25			
Prepared by	Mark Grimshaw, Trust Secretary			
Presented by	Mark Grimshaw, Trust Secretary			
Key Issues / Messages	For the Council of Governors to consider, and if deemed appropriate, approve the Membership Strategy 2021-25			
Action required	Approve <input checked="" type="checkbox"/>	Receive <input type="checkbox"/>	Note <input type="checkbox"/>	Take Assurance <input type="checkbox"/>
	To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board / Committee or Trust without formally approving it	For the intelligence of the Board / Committee without in-depth discussion required	To assure the Board / Committee that effective systems of control are in place
	Funding Source (If applicable): N/A			
	For Decisions - in line with Risk Appetite Statement – Y If no – please outline the reasons for deviation.			
	For the Council of Governors to consider, and if deemed appropriate, approve the Membership Strategy 2021-25 and recommend approval to the Board of Directors.			
Supporting Executive:	Mark Grimshaw, Trust Secretary			

Equality Impact Assessment (if there is an impact on E,D & I, an Equality Impact Assessment MUST accompany the report)			
Strategy <input checked="" type="checkbox"/>	Policy <input type="checkbox"/>	Service Change <input type="checkbox"/>	Not Applicable <input type="checkbox"/>
Strategic Objective(s)			
To develop a well led, capable, motivated and entrepreneurial workforce	<input type="checkbox"/>	To participate in high quality research and to deliver the most effective Outcomes	<input type="checkbox"/>
To be ambitious and efficient and make the best use of available resource	<input type="checkbox"/>	To deliver the best possible experience for patients and staff	<input checked="" type="checkbox"/>
To deliver safe services	<input type="checkbox"/>		
Link to the Board Assurance Framework (BAF) / Corporate Risk Register (CRR)			
Link to the BAF (positive/negative assurance or identification of a control / gap in control) Copy and paste drop down menu if report links to one or more BAF risks 3.1 Failure to deliver an excellent patient and family experience to all our service users		Comment:	
Link to the Corporate Risk Register (CRR) – CR Number: N/A		Comment:	

REPORT DEVELOPMENT:

Committee or meeting report considered at:	Date	Lead	Outcome
Communications & Engagement Sub-Group	Dec 20 – June 21	Trust Secretary	The Group has reviewed several iterations of the draft strategy, providing comment and amendment.

EXECUTIVE SUMMARY

This report introduces the updated Membership Strategy 2021-25

MAIN REPORT

Background

The December 2019 Communications and Membership Engagement Group was informed of a proposal to include membership engagement within a revised Trust Communications & Engagement Strategy from 2020/21 rather than creating a separate standalone Membership Strategy. The intention was to learn the lessons from the 2017-20 Membership Strategy and focus on 3-5 key activities during the year ahead that could be clearly monitored, and impact measured.

Due to the COVID-19 outbreak and pandemic, progress on the revised LWH Communications & Engagement Strategy was limited and as a result a year extension to the current document was agreed. Whilst membership engagement had been referenced within the extended document, the detail was not as extensive as would have been in place in a fully revised document. It was therefore agreed to include an addendum to 2017-20 Membership Strategy to provide this detail ahead of a comprehensive refresh in April 2021.

The addendum outlined several membership engagement objectives for 2020/21. The COVID-19 pandemic meant that a focus on realistic and achievable goals was even more important. The effects of lockdown and social distancing limited engagement options and in a time of increased pressure, it was vital that NHS resources were utilised effectively and for a clear purpose. However, the pandemic also engendered an unprecedented amount of goodwill from the public towards the NHS and interest in health and healthcare services has never been higher. Therefore, it was agreed that it would be worthwhile to progress with membership engagement activity that reflected the current challenges and enabled for effective planning ahead of a post COVID-19 environment. A key objective within the addendum was the development of a 'membership charter' to provide clarity on the 'offer' of membership. It was also recognised that some of our members would want to be more actively involved whereas some may prefer to only receive information from the Trust.

Steps were taken in January 2021 to ask members what level of involvement they wished to have – they could choose to be "Informed" or to be "Involved".

- Be informed: members receive regular information about the Trust, such as invitation to the members annual meeting, receive notices of election and receive the Trust's quarterly newsletter.
- Be Involved: Includes the above plus participation in surveys, questionnaires focus group discussions and behind the scenes events.

There was a recognition that the Membership Strategy would require a comprehensive review and refresh heading into 2021/2022. This work has been undertaken via a governor's task and finish group with oversight provided by the Governors' Communications & Membership Engagement Group.

Development of the Strategy

The task and finish group established to help develop the strategy held three meetings, inviting officers from the Trust to provide their views. Key themes identified from the discussions were as follows:

- the importance of ensuring that there is a consistent 'golden thread' joining all the documents within the Trust's strategic framework, including the membership strategy.
- the importance of the membership strategy in being a key mechanism that will help the Trust to communicate the overall strategic direction to members (public and staff) and the wider community.
- That it is important for the membership strategy to state that effective communication with members is 'two-way' – and that listening is just as important as communicating Trust messages. Noted that 'listening' tends to be most effective when targeted and led by intelligence.
- Noted that healthcare is increasingly being delivered across partnerships and outside of established organisational boundaries. The membership strategy will need to consider this aspect and recognise the importance of building relationships with organisations that have a footprint across the system e.g. Healthwatch.
- The Trust has been challenged in engaging with 'hard to reach' groups and membership has a role to play in improving this.
- The importance of ensuring that the updated membership strategy could clearly articulate the purpose of membership and how it could and did provide added value to the Trust.
- there is an opportunity to ensure that intelligence from patient engagement was utilised by the Communications and Engagement Group to target membership engagement activity.

This information was reported to the Communications & Engagement Sub-Group and a draft strategy developed. Members were then asked for their views on the emerging themes. Whilst the response rate was disappointing, interesting suggestions were received from those who did respond. These were incorporated into the Strategy.

Key Aspects

The Strategy is clear that membership engagement cannot be an isolated task and should be embedded into wider patient / public engagement and involvement activity. There is also an opportunity for membership to play a significant role in helping the Trust to engage with all aspects of the community.

Underpinning the overall objectives and priorities are annual actions that will be reviewed and updated each year. The first year's actions are very much focused on providing a 'baseline' whether that be through establishing effective reporting and intelligence gathering mechanisms or building relationships and partnerships with key organisations.

Recommendation

For the Council of Governors to consider, and if deemed appropriate, approve the Membership Strategy 2021-25 and recommend approval to the Board of Directors.



Liverpool Women's
NHS Foundation Trust

Membership Strategy 2021–2025



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Strengthening the link between Governors & the Board

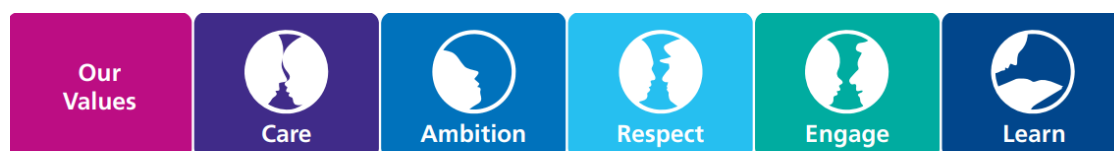
Membership Strategy Governance

Continuous Learning & Feedback

Our Vision

To be the recognised leader in healthcare for women, babies and their families

Our shared vision at Liverpool Women's is simple and has withstood the test of time. It is underpinned by a shared set of values based around the needs of our people. We encourage these behaviours in all our staff, partners and volunteers to make sure our values are delivered in the same way, every day, to every person we care for.



We have a set of five strategic aims which are central to all of our strategies and plans, and through working with patients, staff, governors and our partners we have developed a series of ambitions to push those aims one step further, helping us create the mind-set we need to achieve our vision and be outstanding in everything we do:



Our partnerships with other providers and organisations across the city are central to delivering our aims; we know we need to work together to make this happen.

Our Core Focus

- Our first priority should be our people; making sure we have the best staff enabled to provide the best care. Our people are our most important asset and our success hinges on getting this right.
- Safety is of paramount importance to everyone; staff and patients. Patients have told us that each and every person they meet while using our services has a role in making them feel safe.
- Experiences in healthcare can be life-changing, and making sure that every patient has the best experience possible is equally important to our staff and the people using our services. We know that having the best people as part of our team is central to making sure this is achieved.

Why we need a Membership Strategy

This membership strategy outlines the Trust's vision for membership over the period 2021-2025 and builds on the work of our previous strategy. We want to work with our members to build a membership strategy that incorporates the core focus from the Corporate Strategy and responds to the local needs and national priorities, including the NHS Long Term Plan.

Through this strategy we will set out the methods that will be used to continue to develop an effective, responsive and representative membership that will assist in ensuring the Trust "to be the recognised leader in healthcare for women, babies and their families".

Through our membership, the Trust can be closer to the people who access our services and more accountable to them than ever before. We intend to see our members becoming an increasingly active and valued component, building on existing partnerships and supporting new ones.

The Trust's formal accountability relationship with Members can be found in Appendix 2.

Developing our Membership Strategy

Our members are vital to the development of our strategy and feedback was sought through an online survey. Whilst responses were limited, views were captured and the suggestions for improving and developing our membership over the next five years have been incorporated into the Strategy.

Ahead of seeking views from the membership, the Council of Governors established a task and finish group to explore the most effective direction of travel for the new 2021-2025 Membership Strategy and to ensure that it is aligned with the overall strategic direction of the Trust (below).

To offer a service that supports the Trust to give an outstanding experience to women, babies and families whilst promoting LWH as the recognised leader in women's health and other specialist care that we provide.

Reflection on 2017-2020 Membership Strategy

The previous Membership Engagement Strategy ran from 2017-20. Whilst there had been some notable membership engagement successes (e.g. 'Get Involved' campaign in Liverpool City Centre in August 2018), much of the activity in the strategy was tied to the on-going progress of the Trust's Future Generations' strategy¹ which had been slowed due to issues outside of the Trust's control.

Work to update the Membership Strategy began in December 2019 and it was agreed that a number of objectives set at the launch of the 2017-2020 strategy remained pertinent and relevant for taking forward the Trust's approach to public and membership engagement. It was intended to refresh the strategy on this basis and incorporate it into a wider Trust Communications and Engagement Strategy. As this work progressed, the COVID-19 pandemic began.

The pandemic created a number of challenges for effective public and member engagement, most notably through the effects of lockdown. Whilst foundation trusts are now entering into an uncertain landscape as the post COVID-19 pandemic recovery progresses, there are also undoubted opportunities that can be maximised. For instance, the pandemic has engendered an unprecedented amount of goodwill from the general public towards the NHS and interest in health and healthcare services will never be higher. Also, trusts have been required to find innovative ways to maintain services and administrative functions, mainly through the use of 'virtual meetings'. The use of technology has proven to be successful and there is wide agreement that this can be implemented to widen the reach of engagement.

As the pandemic forced a pause in the onward development of the Trust's updated membership engagement approach, it was agreed to develop an 'addendum' to the 2017-20 Membership Strategy. The addendum included several actions, each with an aim of continuing the key issues from the 2017-20 Strategy and also looking ahead to 'ready' the Trust's membership database and processes to support an updated Strategy. A key part of this was an attempt to increase the number of members who had provided the Trust with an email address. This attempt also included giving members the option of new categories of engagement - developed to allow members to specify the level of engagement they wished to have with the Trust.

An important action as part of the addendum was to think about the relationship that members had with the Trust and the expectations that both parties should have as part of this. This reflection led to the development of a 'Membership Charter' – a document that provides a framework and the underpinning principles to this Strategy and membership engagement.

¹ <https://www.liverpoolwomens.nhs.uk/media/3647/future-generations-2020-25-strategy.pdf>

Membership Charter

We aim to ensure that our members have every opportunity to play a meaningful part in shaping our vision, determining, and developing our standards and building on the high quality of care for which we are recognised.

Our vision is of a broad base membership reflecting the diversity of the communities that we strive to serve.

What members should expect from the Trust:

As a Member of the Foundation Trust, you:

- Will receive communications regarding the Trust and the services it provides to keep you up-to-date.
- Will have the opportunity to 'have your say' about the Trust and have the chance to understand or question any planned changes to the organisation that matter to you and others.
- Will be invited to attend free events for Members, such as 'behind-the-scenes' tours of the Hospital. We also run talks for our Members, this is where staff from different departments provide an overview of their work.
- Are welcome to attend our quarterly Council of Governors meetings and also our Annual Members Meetings, meet staff and Governors, and hear first-hand about the Trust's ongoing work and plans.
- Have the opportunity to access a wide range of NHS staff discounts through joining the website 'Health Service Discount' (<https://healthservicediscounts.com/>).

The Role of Trust Members:

- Be a voice of your community, telling us about the needs and expectations of your local community relating to the services of the Trust.
- Take an interest in the work of the Trust and help signpost members of the public to accurate sources of information.
- Encourage others to become members of the Trust
- You will be able to vote for Governors in elections that happen in your constituency.
- As well as voting, you can run for Governor when the opportunity arises and represent the voice of the Members in your constituency.

Our Members & the Landscape

Our members join the Trust to have their voices heard and to help us better understand the views of those who access our services so that we can improve the quality, responsiveness, and development of services.

Members may only join the Trust in one category of membership. No skills or experience are required to be a member of our Foundation Trust, but members should be interested in our services and compassionate towards the people who access them. We are committed to encouraging everyone who is eligible to become an active member of the Trust.

The Governor Constituencies for the Trust can be found in Appendix 3

Membership Breakdown

Public members	9328	Staff Classes	1551
Out of Trust Area	36	Doctors	101
Central Liverpool	2,734	Nursing	417
Knowsley	1,099	Midwifery	331
North Liverpool	1,536	Scientists/Technicians & AHPs	330
Sefton	1,212	Non-Clinical & Clinical Support Staff	372
South Liverpool	1,308		
Rest of England	1,403	Total Membership	10,879

Membership Involvement Levels

The Trust recognises that members will have differing levels of interest, time and availability for involvement. Members choose the degree to which they would like to be involved at the point at which they sign up as a member. This is set across two tiers;

Be Informed

- Receive regular newsletters
- Receive regular communications
- Receive invitation to the Annual Members Meeting

Be Involved (as above plus)

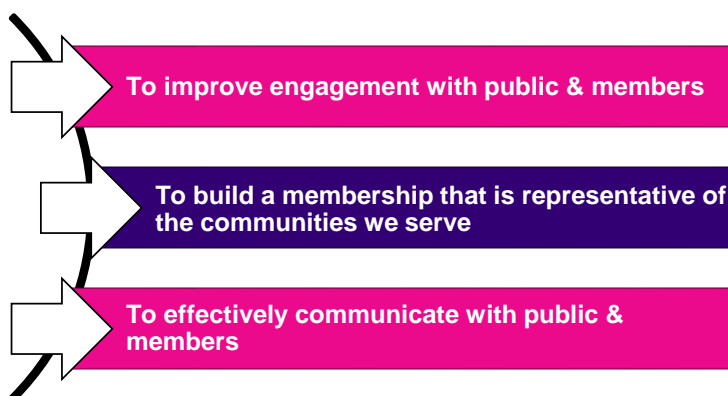
- Participate in survey, questionnaires, consultations
- Participate in focus/discussion/advisory groups
- Volunteering for the Trust

All members retain their statutory rights e.g. to vote or stand as a governor in Council of Governors elections.

Objectives for 2021-2025

This section outlines the membership objectives that we have set ourselves to achieve our strategy; and our priorities for delivery over the next four years, in order to provide focus and clarity.

There are three objectives to the 2021-2025 membership strategy:



These objectives form the framework by which we hold ourselves to account. They recognise and build on the systems and processes which the Trust has in place to grow, engage and involve its membership.

Objective 1: To improve engagement with public and members

Aim: For members to feel part of the Trust and be aware of opportunities and how to be involved in helping to improve the way services are provided.

As a Foundation Trust we are accountable to our local population and an active and engaged membership helps us work together with our communities. We understand that the value of membership is not in the numbers of people who have joined but in the quality of members who are engaged. We recognise it is more beneficial to build an engaged and active membership rather than a large but passive one, and this is reflective of how our current members feel.

We want to broaden our membership and include voluntary and third sector organisations through Associate memberships; this will enable us to build a greater awareness and support for women's health in the community.

Through innovative engagement approaches we want all our members to feel involved and supported to add value to the Trust; this will also help us to support our governors in representing the interests of members and the public.

We have identified five priorities that will help us achieve improved engagement with public and members, these are:

1. To improve engagement with public & members

Priorities*	1.1 Maintain an Events Calendar to identify and plan effectively for membership engagement events
	1.2 Development of events that are tailored to members
	1.3 Build on existing relationships with the patient experience team and the Trust Charity
	1.4 To link in with the Corporate strategy plans & the Communications & Marketing Strategy to enhance engagement with patients/public/members
	1.5 Strengthen links with pan-region organisations such as Healthwatch and explore opportunities for cross-Trust membership engagement.

Objective 2: To build a membership that is representative of the communities we serve

Aim: To ensure our membership reflects the broad diversity of our local communities.

It is important to regularly analyse our membership to make sure we understand its composition and take steps to ensure, as far as possible, it is representative of the people we serve. From our analysis we understand there are some groups who are less well represented and we want to try new ways of engaging with them.

We will strategically align our recruitment and engagement programme to coincide with other key events throughout the year. These opportunities will help us to raise awareness amongst seldom heard communities and address under-representation.

Using the data we hold on our members we have identified five priorities to support us to deliver objective 2.

2. To build a membership that is representative of the communities we serve

Priorities*	2.1 Analyse our membership on a regular basis to ensure that progress is being made in increasing representation
	2.2 Analyse membership events to ensure that attendance was as representative as possible, reflecting on methods to improve this if required.
	2.3 Develop relationships with schools to increase young people representation and engagement
	2.4 Develop enhanced links with organisation aligned to underrepresented groups to improve recruitment, engagement and involvement with these demographics
	2.5 Ensure that intelligence from patient engagement is utilised by the Communications and Engagement Group to target membership engagement activity

Objective 3: To effectively communicate with public and members

Aim: For members to feel well informed and receive communications that are targeted towards their interests.

Members are a vital link between the Trust and our communities. We want to establish methods for two-way communication and respond to the increased demand of the digital landscape to meet the expectations of those who interact with us.

We need to adapt our communications to meet expectations and introduce new techniques to enable members' opinions to be heard.

3. To effectively communicate with members	
Priorities*	3.1 Continue building and maintaining an accurate database
	3.2 Identify opportunities for two-way communication between members and governors
	3.3 Continue providing appropriate information to members
	3.4 Communicate the benefits of membership
	3.5 Target communications with the desired audience

*Each of these priorities have underpinning actions that will be reviewed and updated on an annual basis. These are included in Appendix 1.

Work to Support Strategy Objectives

Strengthening the links between Members & Governors

The Trust will promote governors ability to represent the interests of the membership and the wider public by:

- Investing in development days with a particular focus on public and membership engagement and accountability.
- Keeping members well informed about their Governor representative e.g. governor profiles in the Women's Voice publication
- Bringing Governors together with members at public meetings and inviting members to attend the Council of Governors
- Encouraging Governors to participate in the Trusts well established site visits to speak with service users and carers about their experience.
- Involving governors in membership recruitment (membership toolkit)
- Publishing Council of Governors papers publicly
- Enabling members to evaluate the effectiveness of Governors in representing their interests.

Strengthening the link between Governors & the Board

The Trust will promote the ability of Governors to hold Non-Executive Directors to account for the performance of the Board through:

- Facilitating communication between Governors and the Non-Executive Directors whom they hold to account through
 - Attending Board of Directors meetings
 - The attendance by designated Non-Executive Directors at Governor Committees and Working Groups
 - Regular access to the Trust Chair

Membership Strategy Governance

The Council of Governors is supported by the Communications and Membership Engagement Group in the process of recruiting, engaging and communicating with the Trust's membership and representing the interests of patients, carers, families and the general public in the areas served by the Trust.

The Communications and Membership Engagement Group will review and develop underpinning annual objectives to support the strategic priorities. The Group will review progress against the objectives on a quarterly basis reporting back on progress at the Council of governors through a written or verbal update from the committee Chair. An annual report of progress against this strategy will also be available at the Annual Members Meeting.

Continuous Learning & Feedback

To ensure that both members and the Trust get the best out of membership, we will build mechanisms for learning and improvement into all membership initiatives. Members will be able to provide feedback at any stage by emailing communications@lwh.nhs.uk

The Trust will also actively seek to learn lessons through:

- An annual membership survey
- An annual Governor survey
- Feedback from Governors through the annual Chair's appraisal process
- Feedback forms at events
- Membership database reports (e.g. meeting attendance, membership growth, membership demographics)

Appendix 1

Strategy Year One – Underpinning Actions

Objective 1: To improve engagement with public and members

Aim: For members to feel part of the Trust and be aware of opportunities and how to be involved in helping to improve the way services are provided.

To improve engagement with public & members		Underpinning Actions 2021-22
Priorities*	1.1 Maintain an Events Calendar to identify and plan effectively for membership engagement events	<p>1.1a Develop Events Calendar and report it quarterly to the Communications and Engagement Group to support planning for membership engagement events</p> <p>1.1b Ensure that links are in place with services who are planning themed engagement events so that there can be a link with membership involvement.</p> <p>1.1c Divisions and services across the Trust will be required to inform of upcoming events they have planned outside of the Communications events calendar with a request for timely notice if anything is planned to ensure this is shared with the public and members of the Trust</p>
	1.2 Development of events that are tailored to members	<p>1.2a Develop mechanism to seek views from members on the types of events that they would be interested in e.g. Behind the Scenes events</p> <p>1.2b Explore holding events outside of the Trust e.g. in Community hubs, places of worship, youth clubs etc.</p>

	1.3 Build on existing relationships with the patient experience team and the Trust Charity	1.3a Ensure that intelligence from the patient experience team and the Trust Charity is fed back to the Communications and Engagement Group
	1.4 To link in with the Corporate strategy plans & the Communications & Marketing Strategy to enhance engagement with patients/public/members	1.4a Work with the Transformation Team to identify opportunities for engagement regarding the Trust Strategy for members.
	1.5 Strengthen links with pan-region organisations such as Healthwatch and explore opportunities for cross-Trust membership engagement.	<p>1.5a Establish relationship with Healthwatch representatives and explore mechanisms for sharing intelligence regarding patient experience. To also consider whether joint events could be held.</p> <p>1.5b Build relationships with women's groups – A helpful stakeholder list has been developed for local groups who have an interest in women's health and wellbeing. Relationships with these groups (particularly young people) will be developed and maintained and they will be invited to get involved in any public facing events/activities in the future.</p> <p>1.5c Liverpool network development – Collaborative and engaging relationships have been forged with partner organisations during COVID-19. LWH will build on this for the future by becoming more proactively engaged with Liverpool wide partners in health, local authority, education, enterprise and local communities.</p>

Objective 2: To build a membership that is representative of the communities we serve

Aim: To ensure our membership reflects the broad diversity of our local communities.

To build a membership that is representative of the communities we serve		Underpinning Actions 2021-22
Priorities*	2.1 Analyse our membership on a regular basis to ensure that progress is being made in increasing representation	<p>2.1a Regular reports to the Council of Governors will include:</p> <ul style="list-style-type: none"> • Membership totals within all constituencies; • Membership churn, i.e. the number of 'joiners' and 'leavers' within the public membership constituencies per month; and • Diversity reports, i.e. comparisons of the Trust's public membership demographics to those within the local population. • Reports on events to note the demographics of attendance (where possible)
	2.2 Analyse membership events to ensure that attendance was as representative as possible, reflecting on methods to improve this if required.	See 2.1a above
	2.3 Develop relationships with schools, colleges and universities to increase young people representation and engagement	<p>2.3a Work with the Learning & Development Facilitator to develop opportunities to liaise with schools, colleges and universities to encourage membership engagement and recruitment.</p> <p>2.3b To research issues of interest to young people and how they would wish to be engaged with.</p>

	2.4 Develop enhanced links with organisation aligned to underrepresented groups to improve recruitment, engagement, and involvement with these demographics	2.4a Identify key community leaders in the City / wider C&M region and attempt to establish opportunities for engagement
	2.5 Ensure that intelligence from patient engagement is utilised by the Communications and Engagement Group to target membership engagement activity	2.5a Ensure that themes from patient complaints and compliments is reported to the Communications and Engagement Group 2.5b Communications and Engagement Group to utilise patient and service user feedback to target and focus membership activity.

Objective 3: To effectively communicate with public and members

Aim: For members to feel well informed and receive communications that are targeted towards their interests.

To effectively communicate with members		Underpinning Actions 2021-22
Priorities*	3.1 Continue building and maintaining an accurate database	3.1a Undertake an annual refresh of the database to ensure it remains up-to-date.
	3.2 Identify opportunities for two-way communication between members and governors	3.2a Ensure that feedback time from members to governors is built into events 3.2b Support Governors in actively engaging with their constituents e.g. signposting relevant events, providing a steer from the Communications and Engagement Group on topics of interest. 3.2c Identify opportunities for members to become involved in inspections / patient experience programmes

		3.2d Explore filming governor profiles for use on social media to support engagement and interest in standing for election.
	3.3 Continue providing appropriate information to members	<p>3.3a Ensure that Council of Governor meetings are advertised to members and that papers are published on the Trust website in advance of meetings</p> <p>3.3b Continue to make membership information available electronically via the Trust's website, intranet, and social media platforms.</p> <p>3.3c Ensure that membership information is widely available in all major trust sites, i.e. reception areas, wards, café/restaurant etc.</p>
	3.4 Communicate the benefits of membership	<p>3.4a Include membership forms within regular correspondence e.g. appointment letters</p> <p>3.4b Ensure that a 'you said, we listened' approach is taken to membership engagement</p>
	3.5 Target communications with the desired audience	<p>3.5a Identify public events associated with Trust services across the public constituencies, in which to promote FT membership, its benefits and to recruit public members associated with these areas and constituencies</p> <p>3.5b On an ongoing basis, develop and implement targeted campaigns to recruit people interested in health services.</p>

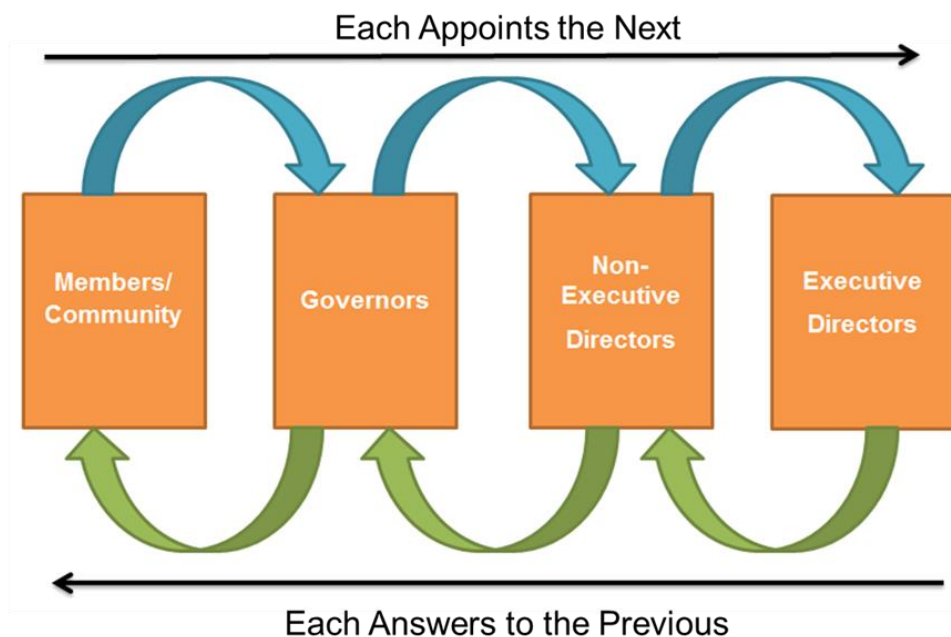
Appendix 2

Accountability to our Members

The Health and Social Care Act (2012) states that the fundamental duty of a Foundation Trust Board is to promote the success of the organisation so as to maximise its benefits to members of the Trust and the wider public. To ensure we are doing this as a Trust we have clear lines of communication between the Board and Members. This enables the Board to have a continuous “line of sight” to the views and priorities of members and the public, and so that members and the public are assured that the Board is performing as an effective steward of public assets. Much of the accountability of the Board to its members is through the Council of Governors, which has two fundamental statutory duties –

- To represent the interest of the membership and the wider public; and
- To hold the Trusts Non-Executive Directors to account for the performance of the Board.

Foundation Trust Accountability Chain



It is vital to ensure that the links between members and governors, and governors and the Board are robust so that a gap does not emerge between member and public interests and Board decisions. Focusing on strengthening these key links is the Foundation Trust Governance model and therefore a priority area within this strategy.

Appendix 3

Council of Governors

The Council is chaired by the Trust Chair, who ensures that the council is made aware of the relevant issues in sufficient depth to enable them to fulfil the needs of public accountability.

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



Council of Governors

COVER SHEET

Agenda Item (Ref)	2021/22/31		Date: 22/07/2021	
Report Title	Constitution Review			
Prepared by	Mark Grimshaw, Trust Secretary			
Presented by	Mark Grimshaw, Trust Secretary			
Key Issues / Messages	For the Council of Governors to consider, and if deemed appropriate, approve the suggested amendment to the Constitution.			
Action required	Approve <input checked="" type="checkbox"/>	Receive <input type="checkbox"/>	Note <input type="checkbox"/>	Take Assurance <input type="checkbox"/>
	To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board / Committee or Trust without formally approving it	For the intelligence of the Board / Committee without in-depth discussion required	To assure the Board / Committee that effective systems of control are in place
	Funding Source (If applicable): N/A			
	For Decisions - in line with Risk Appetite Statement – Y If no – please outline the reasons for deviation.			
	For the Council of Governors to consider, and if deemed appropriate, approve the suggested amendments to the Constitution.			
Supporting Executive:	Mark Grimshaw, Trust Secretary			

Equality Impact Assessment (if there is an impact on E,D & I, an Equality Impact Assessment MUST accompany the report)			
Strategy <input type="checkbox"/>	Policy <input type="checkbox"/>	Service Change <input type="checkbox"/>	Not Applicable <input checked="" type="checkbox"/>
Strategic Objective(s)			
To develop a well led, capable, motivated and entrepreneurial workforce	<input type="checkbox"/>	To participate in high quality research and to deliver the most effective Outcomes	<input type="checkbox"/>
To be ambitious and efficient and make the best use of available resource	<input type="checkbox"/>	To deliver the best possible experience for patients and staff	<input type="checkbox"/>
To deliver safe services	<input type="checkbox"/>		
Link to the Board Assurance Framework (BAF) / Corporate Risk Register (CRR)			
Link to the BAF (positive/negative assurance or identification of a control / gap in control) Copy and paste drop down menu if report links to one or more BAF risks 5.2 Failure to fully implement the CQC well-led framework throughout the Trust, achieving maximum compliance and delivering the highest standards of leadership		Comment:	
Link to the Corporate Risk Register (CRR) – CR Number: N/A		Comment:	

REPORT DEVELOPMENT:

Committee or meeting report considered at:	Date	Lead	Outcome
N/A			

EXECUTIVE SUMMARY

This report outlines the proposed amendments to the Trust's Constitution.

MAIN REPORT

Making amendments to the Constitution

The Trust's Constitution states that:

- 44.1 The Trust may make amendments of its constitution only if:
 - 44.1.1 More than half of the members of the Council of Governors of the Trust voting approve the amendments; and
 - 44.1.2 More than half of the members of the Board of Directors of the trust voting approve the amendments.
- 44.2 Amendments made under paragraph 44.1 take effect as soon as the conditions in that paragraph are satisfied, but the amendment has no effect in so far as the constitution would, as a result of the amendment, not accord with schedule 7 of the 2006 Act.

Proposed Amendments

Non-Executive Director Term of Office

During a recent discussion regarding the extension of Non-Executive Director terms of office, it was noted that the Constitution currently contains the following provision (ANNEX 6 – ADDITIONAL PROVISIONS – BOARD OF DIRECTORS):

8. The Chair and the non-executive Directors are to be appointed for a period of office not exceeding three years and in accordance with the terms and conditions of office, including remuneration and allowances, decided by the Council of Governors at a General Meeting. Any re-appointment of a non-executive Director by the Council of Governors shall be subject to a satisfactory appraisal carried out in accordance with procedures which the Board of Directors have approved. Re-appointment will be for a further term of up to three years. The Council of Governors may determine, in exceptional circumstances, that a non-executive Director may be re-appointed for a third term.

Whilst the Trust's Constitution is not specific regarding the length of a third term, the NHS Code of Governance includes the following provision:

B.7.1. In the case of re-appointment of non-executive directors, the chairperson should confirm to the governors that following formal performance evaluation, the performance of the individual proposed for re-appointment continues to be effective and to demonstrate commitment to the role. Any term beyond six years (e.g., two three-year terms) for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board. Non-executive directors may, in exceptional circumstances, serve longer than six years (e.g., two three-year terms following authorisation of the NHS foundation trust) but this should be subject to annual re-appointment. Serving more than six years could be relevant to the determination of a non-executive's independence.

Whilst not specifically stated in the Constitution, the Trust has taken decisions in the past to comply with this provision. It is recommended that paragraph 8 of the Constitution is amended to the following to align with the NHS Code of Governance:

8. The Chair and the non-executive Directors are to be appointed for a period of office not exceeding three years and in accordance with the terms and conditions of office, including remuneration and allowances, decided by the Council of Governors at a General Meeting. Any re-appointment of a non-executive Director by the Council of Governors shall be subject to a satisfactory appraisal carried out in accordance with procedures which the Board of Directors have approved. Re-appointment will be for a further term of up to three years. The Council of Governors may determine, in exceptional circumstances, that where a non-executive has served six years, they may be subject to annual re-appointment up to a maximum of nine years in total served.

General Housekeeping

In 2018, it was agreed to replace 'Monitor' with 'NHS Improvement' – there remains some instances where this change has not been made. This iteration updates these throughout the whole document.

The full Constitution document, with tracked changes, is available to the Council of Governors on request.

Potential future amendments

With the on-going development of Integrated Care Systems, it is possible that the Trust's Constitution will require review to ensure that it is aligned. The Council of Governors will be kept informed.

Next Steps

Should the Council agree the amendments, they will be reported to the Board of Directors in September 2021 for review and should approval be forthcoming the changes will be finalised and reported to NHS Improvement.

Recommendation

For the Council of Governors to consider, and if deemed appropriate, approve the suggested amendments to the Constitution.