

A SPECIALIST CHILDREN'S HOSPITAL

LEADING THE WAY IN RESEARCH,
EDUCATION & INNOVATION

ALDER HEY

ANNUAL REPORT &

ACCOUNTS 2017/18

INSPIRED BY CHILDREN



Annual Report & Accounts 2017/18

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

CONTENTS

A MESSAGE FROM OUR CHAIR AND CHIEF EXECUTIVE	PAGE 6
<hr/>	
PERFORMANCE REPORT	PAGE 8
Overview of Performance	Page 8
Performance Analysis	Page 15
Going Concern	Page 25
<hr/>	
ACCOUNTABILITY REPORT	PAGE 27
Directors' Report	Page 27
Remuneration Report	Page 43
Staff Report	Page 50
NHS Foundation Trust Code of Governance	Page 58
Regulatory Ratings	Page 67
Voluntary Disclosures	Page 68
Statement of the Chief Executive's Responsibilities as the Accounting Officer of Alder Hey Children's NHS Foundation Trust	Page 70
Annual Governance Statement	Page 71
<hr/>	
QUALITY REPORT INCLUDING AUDITOR'S REPORTS	PAGE 81
Auditor's Report	Page 153
<hr/>	
ANNUAL ACCOUNTS	PAGE 157

A MESSAGE FROM OUR CHAIR AND CHIEF EXECUTIVE

2017/18 marked another eventful and successful year for Alder Hey. For us, it has been an honour and a privilege to lead such an outstanding organisation and marvel at the many achievements of our incredible staff.

Thanks to the perseverance, dedication and hard work of our clinical and corporate teams, we again delivered a remarkable set of year-end results. This included meeting all nationally mandated standards and targets, as well as hitting our financial control total ahead of plan and thereby attracting additional funding to the Trust from our regulator NHS Improvement. Yet these achievements, although remarkable in the context of an NHS which continues to face unprecedented levels of financial pressure and challenge from increasing demand, are eclipsed by the day to day examples of our staff going the extra mile to provide the very best care to our children and young people. We are immensely proud of the way in which staff live the Trust's values in all that they do, every day.

We were greatly encouraged by the positive results of this year's staff survey and this gives us much to build upon in the next 12 months, supported by our highly successful 'Listening into Action' initiative. A key focus for the Board has been to progress our Quality Improvement programme which lies at the centre of our Quality Strategy; we have seen the enthusiasm with which this is being embraced by the whole organisation through a myriad of quality initiatives – many of which are described in the Quality Report on page 81 of this document. We have seen measurable improvement across a range of our quality metrics, notably no avoidable factors found by the mortality reviews undertaken for all deaths in hospital; a further significant reduction in medication errors, bringing the total reduction since in the last three years to 75%; and a 46% reduction in the number of hospital acquired infections since 2014/15. The new style Quality Assurance Rounds which we introduced in September have been warmly welcomed by everyone who has been involved so far, as the process enables a real connection between Board members and the host



team – the idea of 'ward to board' brought to life – which has been of huge value to us all.

Alder Hey received two inspections by the Care Quality Commission during the year – in April 2017 and again in February 2018. On both occasions inspectors commented on the compassionate, child-focused care given by everyone they met and we continue to be rated as 'outstanding' in the Caring domain of the CQC's fundamental standards. It remains our intention to provide outstanding care for all our patients across every domain and our ambition to achieve that rating for the whole Trust.

As further testament to the regard in which Alder Hey is held, the Board was asked by NHS Improvement in May of 2017 to take on the management of Liverpool Community Health NHS Trust for a period of six months, whilst the final arrangements could be made for transition of its services to another provider. The Board was happy to lend its support to the excellent staff at LCH at a difficult time, as well as taking the opportunity to assist the local health system in the spirit of collegial working and shared goals across the service for the benefit of the local community.

Again, we could not have taken on this additional role without complete confidence that our Alder Hey family was behind us, keeping the organisation running as smoothly as ever; the fact that this was the case is evident in the report that follows. It only remains for us to reiterate our enormous gratitude to the whole team for their unfaltering commitment.

David Henshaw *Louise Shepherd*

SIR DAVID HENSHAW
Chairman

LOUISE SHEPHERD CBE
Chief Executive

ALDER HEY WINS £50,000 GRANT FOR MUSIC ON WARDS THROUGH THE BIG LOTTERY'S PEOPLE'S PROJECTS

Music Matters was a 12 month project funded by the Big Lottery's The Peoples Projects.

It ran from April 2017 to March 2018 and has enabled Alder Hey to place a musician on every inpatient ward in the hospital for one day a week. During that time, Alder Hey has seen six highly talented musicians work with over 1,500 children and young people in hospital, getting them involved in music making, playing instruments, writing songs and even performing themselves.

92% of patients who took part said the project significantly improved their experience of being in hospital. And 84% of patients who took part said that the project significantly made

them forget about their illness/condition. The project has been wonderful in helping patients make friends, interact and improve their confidence and communication skills.



Parent feedback included: "The music session today was fantastic, the lady who performed was amazing, we all joined in as a family and it left us all with a really positive and enjoyable memory to look back on at such a difficult and hard time. I would highly recommend these sessions and believe they are a great idea for helping the child feel like there is something to look forward to and make them smile. I think these sessions are one of the best ideas the hospital has to offer for children."

PERFORMANCE REPORT



OVERVIEW

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

ABOUT THE TRUST

Alder Hey Children's NHS Foundation Trust is a provider of specialist health care to over 275,000 children and young people each year. In addition to the hospital site at West Derby in north Liverpool, Alder Hey has a presence at a number of community outreach sites and in collaboration with other providers, our clinicians help deliver care closer to patients' homes by holding local clinics at locations from Cumbria to Shropshire, in Wales and the Isle of Man. The Trust also provides inpatient care for children with complex mental health needs at our Alder Park building in the nearby borough of Sefton.

The Trust employs a workforce of 3,387 staff who work across our community and hospital sites and as a teaching and training hospital we provide education and training to around 540 medical and over 500

nursing and allied health professional students each year. In April 2017 Alder Hey welcomed 120 new community staff from Liverpool Community Health NHS Trust as part of the transfer of a number of paediatric community services, including Speech and Language Therapy, Physiotherapy and Community Matrons.

Our operating turnover is £263m of which £213m directly relates to the clinical services we provide; 33% of our clinical income is non-specialised and 67% is specialised. Our principal contract is with NHS England for tertiary and quaternary care. The Trust also serves a wide population base for secondary care with Liverpool Clinical Commissioning Group (CCG) hosting the £55m contract on behalf of 21 associate CCG's in the North West of England. In addition we have a contract with of £15m with commissioners in Wales.

Alder Hey offers a number of specialist services and we are one of only two providers in the North West designated to receive the specialist children's top up to national tariff for this work. We are one of the two accredited major trauma units for children in the North West and are also nationally commissioned as one of four epilepsy surgical centres, a service we provide in partnership with Manchester Children's Hospital. As the regional cardiac surgical centre we continue to lead

on developing the cardiac network across the region in order to provide seamless pathways of care for children with congenital heart problems.

Alder Hey continues to be a top performing trust. We remain registered with the Care Quality Commission (CQC) without conditions. Our ratings from the health sector regulator, Monitor and from April 2016 NHS Improvement, have been generally among the highest available since authorisation as an NHS foundation trust in 2008 and we have consistently achieved the majority of the government's NHS Constitution access and quality targets. In 2017/18 the Trust planned a use of resources risk rating of 2 (NHSI's financial risk rating) but actually achieved a rating of 1, which is the highest possible, due to our better than expected financial performance.

The year saw much progress and achievement against the Trust's Integrated Research Strategy for Child Health in partnership with the University of Liverpool and other academic institutions.

Since opening, the Alder Hey Institute in the Park has provided a fertile environment for researchers from within the Trust and the University of Liverpool. In 2017/18, work commenced in earnest on the extension of the building to house three other academic partners from Autumn 2018: Edge Hill University, Liverpool John Moores University and the University of Central Lancashire. This visibly demonstrates Alder Hey's ambition to be the premier partner for children's health research and provides a unique opportunity for multi-institutional research to benefit the population locally, nationally and internationally.

The Trust has continued to deliver research at volume and to the highest standards of safety and quality. Increasing evidence has established the association between research volume and intensity in the hospital and improved health outcomes for patients. In 2017/18, Alder Hey recruited over 9,000 children and young people into its research studies, placing it among the highest performing trusts in the UK and ensuring that its continued ability to deliver research studies at high volume will add to the legacy of improved health benefits for its patients.

The safety and quality of research is of paramount importance. In the past year, Alder Hey, through its prominence in the Health Research Leadership Organisation, has been supporting the development of the framework for the regulation of research by the Care Quality Commission which is to be introduced in 2018. This emphasises the Trust's focus on ensuring

that the research experience of children and young people is bound within the best possible standards of quality, safety and excellence.

Alder Hey is an organisation focused on innovation and finding novel solutions to challenges. With the charitable sector and research into exciting new therapies for Duchenne Muscular Dystrophy, the Trust has been at the forefront of developing and testing a novel resource model to increase capacity to deliver DMD research studies and meet the needs of affected families and study sponsors. In 2017/18, the resourcing plan reached maturity and the outputs will be of national significance and may herald new ways of working between the charitable and NHS sectors.

The Trust places meaningful involvement and engagement of children, young people and families at the heart of its research activities. In 2017/18, through the NIHR Alder Hey Clinical Research Facility, the Trust has enhanced its international reputation for public engagement in research and leadership in the field. The 'Alder Hey Way' has been showcased at multiple national and international conferences by children and young people themselves. The Trust prides itself on empowering children, young people and families to co-create many of its important research studies and associated activities.

The Trust is supported by two main registered charities and through the work that they do to support the hospital, we can ensure that Alder Hey's pioneering work continues to make a difference to the lives of children. In addition to the Alder Hey Children's Charity, the Ronald McDonald House charity continues to support up to 84 families in 'home away from home' accommodation on the campus whilst their children are being treated in the hospital. We continue to work closely and strengthen our relationship with our charitable partners.

We have been authorised as a foundation trust since August 2008 and have an active Council of Governors representing patients, parents, carers, staff, the general public and partner organisations. The Council represents our membership which currently totals almost 14,000 people across the regions we serve. We have also established our Children and Young Peoples' Forum which meets regularly with Trust staff and has input to a range of hospital activities and plans, as well as playing a key role in the recruitment of key Board level posts.



Teenage Cancer Trust Honorary Patrons Sarah, Duchess of York and HRH Princess Eugenie helped Alder Hey celebrate the second birthday of our Teenage Cancer Trust funded facility within the Oncology Unit (Sept 2017).

OUR SERVICES

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

The three Clinical Divisions are comprised of the following services:

Medicine

- Accident and Emergency Department
- General Paediatrics
- Diabetes
- Respiratory Medicine
- Infectious Diseases
- Immunology
- Metabolic Diseases
- Nephrology
- Rheumatology
- Gastroenterology
- Dermatology
- Endocrinology
- Dietetics
- Oncology
- Haematology
- Palliative Care
- Bereavement Services
- Radiology
- Pathology
- Pharmacy
- Psychology
- Therapies
- Long Term Ventilation
- EBME (medical equipment)
- Bed Management
- Medical Records
- Outpatients
- Phlebotomy
- Medical Day Care
- Booking and Scheduling

Surgery

- Cardiac Surgery and Cardiology
- Paediatric Intensive Care
- High Dependency Unit
- Burns Unit
- General Surgery
- Urology
- Gynaecology
- Neonatal Surgery
- Theatres
- Anaesthesia and Chronic Pain
- Ear Nose and Throat and Audiology
- Cleft Lip and Palate
- Ophthalmology
- Maxillofacial Surgery
- Dentistry and Orthodontics
- Neurosurgery and Neurology
- Craniofacial Surgery
- Orthopaedics
- Plastic Surgery

Community Services and CAMHS

- Children's Community Nursing Team
- Homecare
- Community Matrons
- Community Therapies
- Neurodevelopmental Paediatrics
- Community Paediatrics
- Safeguarding Services
- Fostering and Adoption
- Child and Adolescent Mental Health Services

OUR CQC RATINGS

The Trust's current ratings are as follows:

Overall Good	Safe	Good ●
	Effective	Good ●
	Caring	Outstanding ☆
	Responsive	Good ●
	Well-Led	Good ●

OUR PURPOSE AND VISION

Our Purpose

Our purpose and vision were agreed by the Board in 2011 and remain at the core of all of our strategies, plans and decisions.

Our Vision

Alder Hey: building a healthier future for children and young people, as one of the recognised world leaders in research and healthcare.

OUR STRATEGY

In its most recent review of the Trust's direction of travel in February 2018, the Board focused its attention to undertaking an in-depth exercise looking at the organisation's current strategy and identifying specific priorities for 2018/19.

The Board believes that the organisation's original purpose and vision remain relevant today and will be fundamentally unchanged to 2020, re-committing to its ambition to provide world leading children's services.

Alder Hey's 2020 Vision is built upon a small number of key strategic pillars which continue to be refined to reflect the changing landscape in which the NHS operates. For 2017/18, our strategic aims reflected the organisation's continued focus on quality through 'delivery of outstanding care' with 'the best people doing their best work' whilst maintaining a focus on growing the future with 'game-changing research and innovation' and 'sustainability through external partnerships'.

The Trust's values underpin all that we do and how we do it.



DELIVERING ON OUR STRATEGIC AIMS AND OUR OPERATIONAL PLAN: HIGHLIGHTS FROM 2017/18

2017/18 was another successful year for Alder Hey. Highlights of progress against our plans during the year include the following:



Delivery of Outstanding Care

- Through our Sign up to Safety pledge over the past three years, we have reduced harm associated with medication incidents by 75% and reduced harm from hospital acquired infections by 46%.
- In 2017/18 work has continued to reduce waiting times for Community Services (CAMHS and Developmental Paediatrics) to provide better, more timely access.
- We remain 3rd highest reporter of incidents amongst our peer group of acute specialist Trusts as reported by through the National Reporting and Learning System (NRLS).
- The Trust's focus on the diagnosis and timely treatment of children with high risk sepsis continued to show significant improvement towards consistently administering antibiotics within 60 minutes.

For a more detailed description of Alder Hey's quality journey in 2017/18 please read our Quality Report starting on page 81.

The Best People doing their Best Work

- The Trust has put a lot of effort into the reward and recognition of the workforce during 2017/18. A staff Reward and Recognition Group has been established who have implemented a number of actions including hosting a "Fab Staff Week" to coincide with the NHS-wide Fab Change Day. This offered a variety of health and wellbeing advice and support, free fruit and snacks provided by the catering department, a free raffle, and a pledge wall for staff to commit to a small personal change or improvement.
- Our 2017 staff survey produced more responses than ever before (54% of staff responded) and included many positive swings in staff feedback, including an 11% improvement in staff reporting that they would recommend Alder Hey as a place to work. In their detailed analysis of the 2017 survey, the Association of UK University Hospitals (AUKUH) has identified Alder Hey as the most improved trust in the country in terms of our ranking on the total number of key findings on which we achieved statistically significant improvements and our ranking on the net number of significant improvements across the survey.

- Alder Hey's 'Listening into Action' journey continued apace in 2017/18. Focused around staff empowerment and positive change, LiA is a Trust-wide drive to identify issues and blockages, bring together all the right people into the same room and then work together on a solution. Through this initiative, dozens of clinical and non-clinical teams from across the Trust have been involved in positive change. Examples of this include the establishment of the Reward and Recognition group and the staff Disability Network.
- The Trust secured Apprenticeship Provider Status in 2017, one of only two trusts in Merseyside to hold this accreditation. This will support the development and delivery of the Trust's Apprenticeship Strategy.

Sustainability through External Partnerships

- A significant development during the year has been the partnership work with the University of Liverpool, Liverpool John Moores University, Edge Hill University and the University of Central Lancashire to expand on our portfolio of training programmes to meet the current and future needs of healthcare professional both in the UK and Internationally.
- The Trust continues to build its international reputation and the international team has developed an expanded network with international trade organisations including, the Department of International Trade, Healthcare UK, and Liverpool Vision.

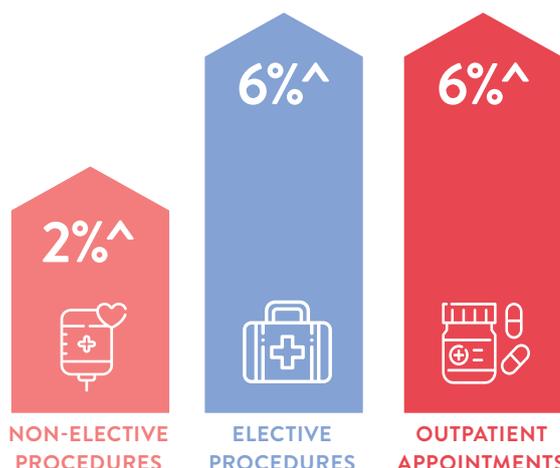
Game-Changing Research and Innovation

- Alder Hey has accelerated its expertise in novel formulations of medicines for children and young people through its programme of 3D-printed medicines in partnership with the University of Central Lancashire. This internationally leading research will offer children an increased range of child-friendly and appropriate medicines.

- Applied clinical research performance has again excelled within the Trust. Over 9,000 children and young people have been enrolled into clinical research studies registered with the NIHR Clinical Research Network. This places Alder Hey 15th from nearly 500 NHS trusts for research volume and a significant indicator of improved outcomes and quality.
- The Trust hosted a successful site inspection by the Medicines and Healthcare Products Regulatory Agency, confirming the high standards of safety and quality which underpin the Trust's extensive research programmes into developing new medicines for children.
- The Trust enhanced its ability to offer children and young people 'Trials that Transform Lives' through renewed membership of the Paediatric Experimental Cancer Medicine Centres and growth within the National Institute for Health Research Alder Hey Clinical Research Facility for Experimental Medicine and the UK's only Experimental Arthritis Treatment Centre for Children.
- Alder Hey demonstrated its status as the premier partner for children's health research through a range of new joint appointments and studentships with partner universities: University of Liverpool, Liverpool John Moore's University, University of Central Lancashire, Edge Hill University.

patients and sharing learning and resources with other local organisations through networks. During 2017/18 a large scale project to digitise clinical pathways by specialty was commenced.

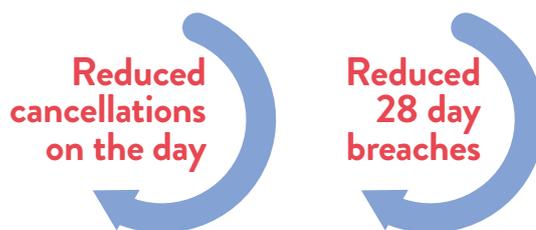
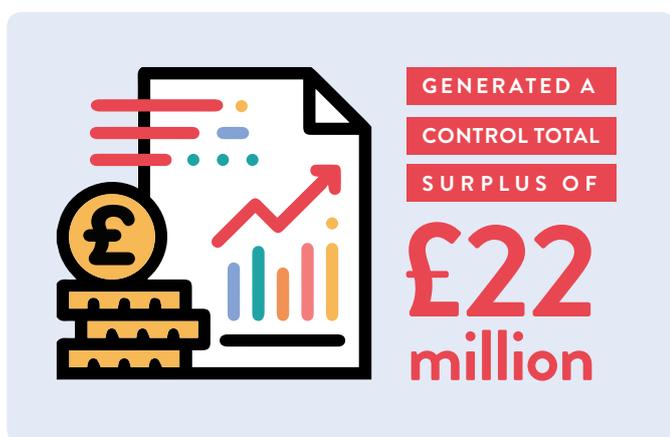
- The Trust delivered its obligations to patients under the NHS Constitution, meeting all mandated access targets including the 4 hour A&E target, achieving 97% in March 2018.
- The clinical Divisions delivered 6% more elective operations, 2% more non-elective procedures and 6% more outpatient appointments compared to last year.



Strong Foundations

- The Trust delivered its financial plan and generated a control total surplus of £22m; this sum includes a significant share of national Sustainability and Transformation Fund monies awarded to those trusts that were able to achieve their control total.

- Our winter plan has ensured that we maintained the delivery of elective activity across a challenging winter period and reduced cancellations on the day and 28 day breaches.



- Alder Hey continued to progress with its plans as part of NHS England's Global Digital Excellence programme, which aims to lead the way for the entire system to move faster in getting better information technology on the ground, delivering benefits for

- Alder Hey also demonstrated full compliance against its Provider Licence issued by NHS Improvement and with its CQC registration.

PERFORMANCE ANALYSIS



ALDER HEY'S APPROACH

Reflecting the Trust's drive to continue to deliver outstanding care, we have again revised our Key Performance Indicators (KPI's) linked to regulatory requirements within our Integrated Performance Framework. This has ensured that our KPI's are fit for purpose and set against challenging standards to support best practice. The Corporate Performance Report has been completely revised to reflect CQC Key Lines of Enquiry and developed to reflect increased accountability and transparency, with a focus on SMART actions being taken to recover the position of any indicator going off track in a timely way. The report is supported by an electronic business intelligence system which enables the Divisions to drill down into key financial, operational and clinical metrics at service line and even individual patient level. This now forms the basis of our newly developed monthly Executive review where each Division leads the discussion and presents by exception on areas that require improvement.

PERFORMANCE AGAINST NATIONAL PRIORITIES

The Trust again met all of its access targets in 2017/18. A robust Winter Plan was developed with a

multidisciplinary approach which created sufficient capacity to manage the predicted increases in emergency demand whilst providing enough flexibility to support the elective programme. The Trust's capacity and demand predictor ensured hospital occupancy was developed around optimal levels with the ability to flex to accommodate forecast flu cases. A revised approach to managing activity across the hospital was successfully implemented which ensured patient flow was maximized through the challenging periods and minimised the number of delays and consequent four hour breaches. The whole system approach therefore supported the delivery of all access standards.

The Trust continues to review productivity and look at how the new estate can support safe, effective and efficient delivery of care. Five bespoke programmes have been developed with a view to focusing on quality and patient experience which will support the optimisation of efficiency and productivity. These schemes will focus on hospital flow, outpatient services, brilliant booking and scheduling, comprehensive mental health and models of care; each being led by a senior manager within the Trust with Executive sponsorship.

The Trust's performance against national access and other mandated targets for 2017/18 is set out below:

Target or Indicator	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Summary Hospital Level Mortality Indicator (SHMI) ¹	n/a	n/a	n/a	n/a	n/a	n/a
C. Difficile Numbers - Due to Lapses in Care	0		0	0	0	0
C. Difficile - Rates per 100,000 Bed Days	0	14.4 ²	0	0	0	0
18 Week RTT Target Open Pathways (Patients Still Waiting for Treatment)	92%	87.9% ³	92%	92%	92%	92%
All Cancers: Two Week GP Referrals	100%	94.9% ⁴	100%	100%	97%	100%
All Cancers: One Month Diagnosis (Decision to Treat) to Treatment	100%	97.7% ⁴	96%	100%	96%	100%
All Cancers: 31 Day Wait Until Subsequent Treatments	100%	97.7% ⁴	100%	100%	100%	100%
A&E - Total Time in A&E (95th Percentile) <4 Hours ⁵	95%	85% ⁵	95.97%	95.29%	93.77%	94.61%
Readmission Rate Within 28 Days of Discharge ⁶	National data collection methodology currently under review	0-15 Years:	9%	11%	10%	11%
		16 Years & over:	10%	18%	17%	18%
Financial and Service Performance Ratings			2	2	2	1
Rate of Patient Safety Incidents per 1,000 Bed Days		56	75	75	68	76
Patient Safety Incidents and the Percentage That Result in Severe Harm or Death		0.22%	1302 (0.15%)	1290 (0.08%)	1215 (0.16%)	1424 (0.14%)

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

¹ Specialist Trusts are excluded from SHMI reporting.

² C Diff Rates based on Specialist Trusts rate for Qtr 1-3 2017/18 as per HED benchmarking analysis Qtr 4 rate represents 1 incident of C difficile in the quarter. This was the only reported case for 2017/18.

³ National Performance based on most recent published data for Feb 2018, NHSE website.

⁴ National Performance is based on most recent published Quarter 3 data for 2017/18, NHSE website.

⁵ A&E National Performance based on most recent published data for Feb 2018, NHSE website.

⁶ Data source: Trust Patient Administration System – not published nationally.

EXTERNAL AWARDS AND ACHIEVEMENTS IN 2017/18

Alder Hey - Building of the Decade



David Houghton, Project Manager, Development Team

Alder Hey in the Park was recently crowned the BBC Building of the Decade. The award was voted for by the viewers of BBC North West Tonight and is a huge achievement for everyone involved in the building of our new hospital. Alder Hey originally won the Merseyside category a few weeks ago and subsequently beat off competition from Maggie's at the Christie, Brockholes Nature Reserve and the Storyhouse.



NIHR Children and Young Person's Medtech Collaborative Centre for Paediatric Surgical Technology

The Innovation hub has been successful in a joint bid to the NIHR with other UK children's hospitals to create a children's medtech collaborative. From April we will be leading the UK in the area of Paediatric Surgical technology development as part of the multi-year £1.4 million grant.

Health Innovation Exchange



The Trust's Innovation Hub continues to grow rapidly after successfully winning a three year European Regional Development Fund grant worth £650,000 to promote healthcare innovation in the Liverpool region. By allowing local health tech businesses to understand Alder Hey's problems and speak to clinicians, potential solutions can be generated and tested quickly.

University of Liverpool Science and Engineering Student Placements

Alder Hey has been working very closely with the University of Liverpool's Faculty of Science and Engineering to facilitate student projects to solve difficult clinical problems with technology. One of

our summer school graduates in has had great success, winning venture capital funding for their sample mix up prevention gadget, in partnership with our pathology department.

'Alder Play'

A new approach to children's stay in hospital has been launched that will revolutionise patient care at Alder Hey and across the NHS. Created by Alder Hey Children's Hospital and Alder Hey Children's Charity in partnership with leading digital studio *ustwo* and designed with the help of young patients, the Alder Play app is powered by the very latest digital and cognitive advances. It has been supported by NHS England and NHS Digital and has great potential to help other hospitals across the NHS.

The app uses gaming and augmented reality to distract patients having procedures in hospital. Young patients choose and name their own avatar which will help them understand their hospital visit before they arrive and help calm them during their stay. Their avatar 'pops up' at various hospital locations during their visit and helps patients collect 'rewards' following procedures that allows them to access new content.

Within Alder Play, parents will also be able to interact with a chatbot called "Ask Oli" to answer questions about the hospital and what may happen to their child during treatment. Alder Hey has been working with the Hartree Centre (part of the UK's Science and Technology Facilities Council and supported by IBM), using IBM's Watson technology to enable questions to be answered in real time. This will be the first time cognitive technologies have been applied in any hospital in the UK, in this way.

Alder Hey Consultant Dr Nik Barnes, who originated the idea of Alder Play, explained: "Our vision is to transform the experience of children in hospital. We wanted to distract patients during procedures and reduce their worries and fears. Rewarding children following procedures and treatments was another vital element as it helps to encourage their progress. Rewards can be given for something as simple as having a dressing changed, to getting out of bed after an operation or having a scan."

The Alder Hey app is being supported through the global digital exemplar programme with funding being provided by Alder Hey Children's Charity,

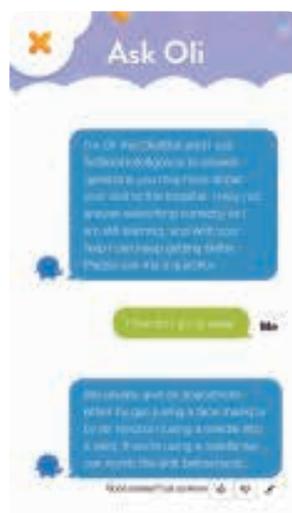


Shop Direct, Liverpool John Lennon Airport and NHS England. The Alder Play app has only been made possible through a collaboration of expertise from the health, retail, travel and technology sectors.

Integral to the app's design and development has been the opinions and views of children and young people. Five years ago, seven year old patient Niamh Barnes suggested to hospital staff the idea for an app to be created that would distract children like her while they were in hospital. Niamh has continued to inspire the app's developers, alongside a number of other patients from the hospital's Children and Young People's Forum.

Niamh said "It's exciting to see the app coming to life and providing entertainment for other children like me. I really like the 'Ask Oli' page which is really helpful and means kids and parents can ask questions about their stay in hospital."

In April 2018, Alder Hey was featured as Apple's App of the day, which is an incredible achievement for any app.



3D Printing

Alder Hey's 3D printing hub in partnership with 3DLifePrints has gone from strength to strength with new high resolution 3D printers arriving in the Innovation Hub. We now have access to seven printers and an onsite team of 3D print engineers.

Last year surgeons from Alder Hey used hyper realistic operable 3D printed models provided by 3DLP to perform an expo of modern neuro, cardiac and general surgical techniques at the Arab Health Conference in Dubai.



*Trust Clinical Director for Innovation Mr Iain Hennessey,
Consultant Paediatric Surgeon*

'No Isolation' Robot

In partnership with No Isolation, a remote tele robotics company, we trialed three robots to reduce the feeling of isolation for some of our sickest children.

The robots were placed in the patients' schools and then linked to their hospital rooms by tablet.

The controllable robots allowed the children to interact with their classmates and feel more involved in their class, despite being miles away in their hospital bed.



Appointment to Key Innovation Board Positions

Iain Hennessey, Clinical Director of Innovation and Consultant Paediatric Surgeon has been appointed to key board level positions within partner organisations to further advance healthcare innovation. These include the board of the NHS Innovation Agency and the Liverpool Enterprise Partners Innovation Board.



KEY RISKS TO DELIVERY IN 2017/18

The Trust's key risks were articulated in the Board Assurance Framework, which was reviewed on a monthly basis by the Board and its assurance committees throughout the year. The three most significant risks were: financial sustainability in a challenging environment; ability to continue to grow; and workforce supply challenges. The chief risk to quality related to sustaining the Trust's ability to provide the best possible care to our children given the financial challenges across the system. The Board agreed that as far as possible front line services must be safeguarded and the work carried out in the last three years to ensure optimum nurse staffing levels should be protected. The Trust was fortunate to be able to continue with its nurse recruitment programme and

avoid the acute staffing shortages suffered by many NHS organisations, also enabling it to cease utilising agency nursing other than for those areas experiencing skills deficits nationally, such as critical care. The Trust's other key risk concerned the delivery of the activity plan, which was central to the organisation's ability to achieve the control total set by NHS Improvement. Threats to securing the requisite run rate are traditionally most acutely felt during the winter period when peaks of childhood respiratory conditions impact upon the elective surgical programme. The Trust-wide work undertaken to develop and implement a robust Winter Plan meant that the activity plan was delivered and the organisation achieved a strong set of financial results which are described on the right.

FINANCIAL PERFORMANCE

The Trust ended the year with a surplus of £6m. Included within this are 'normalising items' which are one-off technical adjustments that are not part of the trust normal business activities and financial performance. There were also additional exceptional one off items and incentive Sustainability Funding. Therefore the surplus that the Trust achieved from day to day business was £1.2m.

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

	2017/18 £000	2016/17 £000
Surplus/(Deficit) for the Year	6,008	2,582
Exceptional Items		
Impairment	18,631	2,239
Donated Income	(4,681)	(2,704)
Donated Depreciation	2,101	1,814
Gain/loss on Disposal of Assets		(402)
STF Funding Relating to 2016/17	(93)	
NHS Improvement Surplus/ (Deficit) on Control Total Basis	21,966	(3,529)
One Off Exceptional Items	(8,150)	
Incentive and bonus STF Funding	(12,563)	(2,500)
Trading Surplus	1,253	(6,029)

Capital expenditure for the year was £16.8m. This expenditure related to medical equipment, IT and the continued development of the Alder Hey campus.

The Trust had a cash balance of £12.2m at the end of March 2018.

Surplus/(Deficit) for the year

6,008

£

2017/18

2,582

£

2016/17



**NHS
Improvement
Surplus/
(Deficit) on
Control
Total Basis**

2017/18 - £21,996

2016/17 - £3,529

TRADING SURPLUS

2017/18 | 2016/17
£1,253 | (£6,029)



**Capital
expenditure
for the year
£16.8m**



Regulatory Ratings

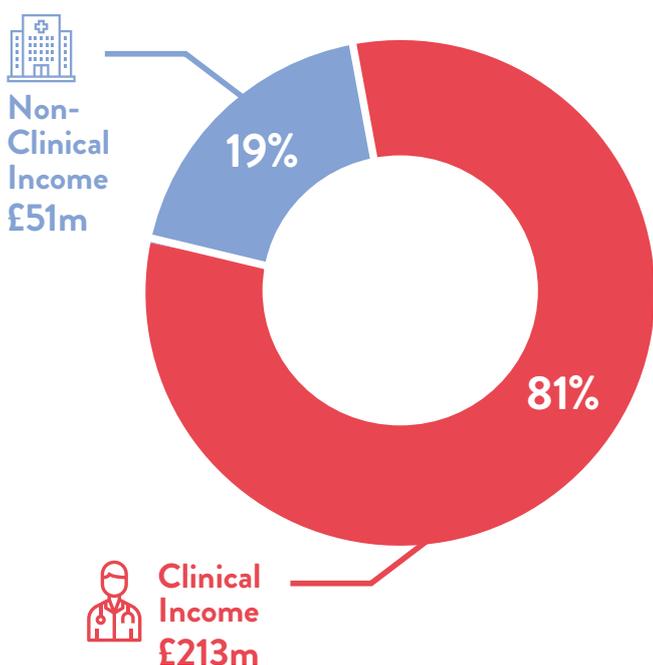
NHS Improvement uses metrics to assess financial performance by scoring each metric from 1 (best) to 4. The Trust has achieved an overall Use of Resources rating of 1 which is better than the planned rating of 2. The breakdown of our rating is provided below.

Criterion	Measure	Weighting	2017/18 Metric	2017/18 UOR
Liquidity (Days)	Shows Ratio of Liquid Assets to Total Assets	20%	30.56	1
Capital Service Cover	Shows Revenue Available for Capital Service	20%	2.6	1
I&E Margin	Shows Underlying Performance	20%	8.46%	1
I&E Variance	Shows Performance Against Plan	20%	8.40%	1
Agency	Shows Agency Spend Performance Against Ceiling	20%	-55.96%	1
Use of Resources Rating				1

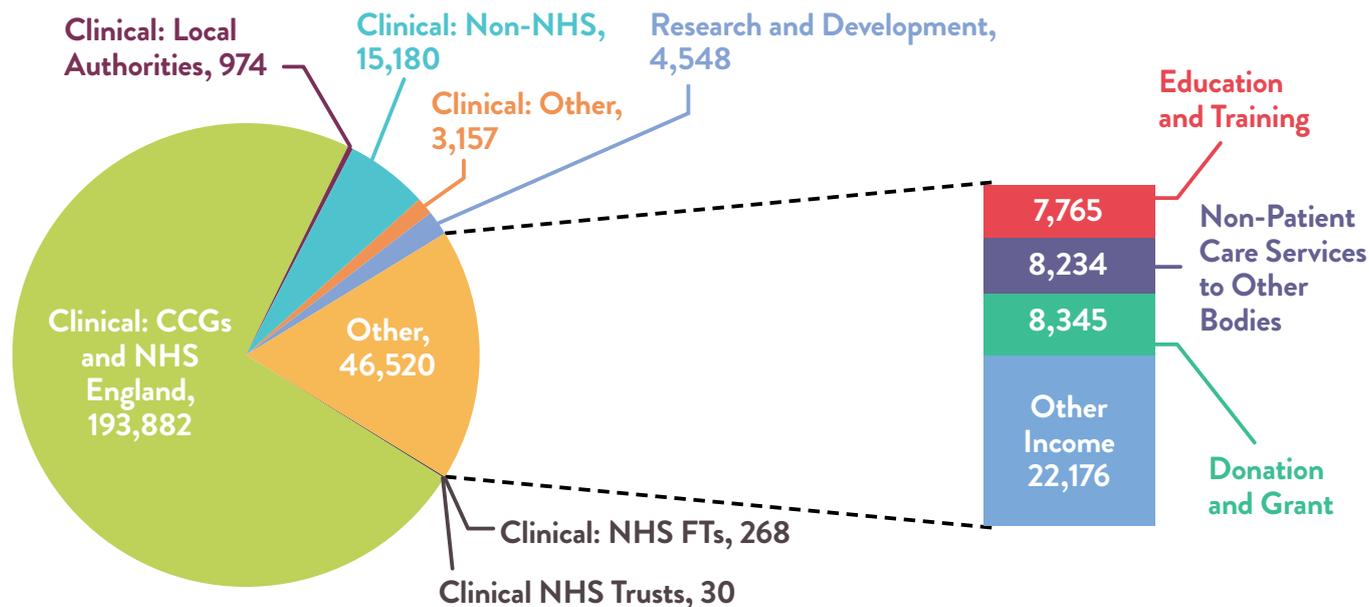
Income

Total income received by the Trust in the year ended 31st March 2018 was £264m with £213m (81%) coming from the delivery of clinical services. The Trust's clinical income comes from three main contracts. Our principal contract is with NHS England to provide tertiary services with a value of £127m. The Trust also has a contract hosted by Liverpool CCG to provide secondary services with a value of £55m. In addition the Trust has a contract with Welsh commissioners to provide secondary and tertiary services with a value of £15m. The £51m non-clinical income includes STF, donations from charities, education and training levies, research activities, services provided to other organisations and commercial activities such as the provision of catering services.

Income by Source 2017/18

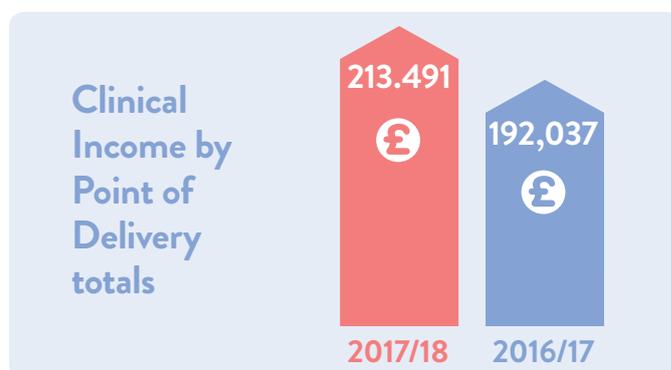


Income Breakdown (£000s)



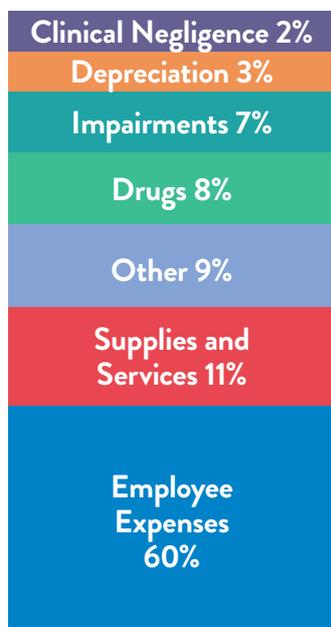
Clinical Income by Point of Delivery

	2017/18 £'000	2016/17 £'000
Elective Income	46,527	43,313
Non-Elective Income	37,489	31,373
Outpatient Income	25,925	26,165
A&E Income	6,057	5,103
Private Patient Income	434	309
Community and Mental Health	22,476	20,280
Critical Care	26,487	24,875
Drugs and Devices	23,995	19,892
Other	24,101	20,727
Total	213,491	192,037



Expenditure

Operating expenses totalled £248.1m for the year and as in previous years, staff costs account for the largest use of resources, 60%. An analysis of operating expenses by type is shown in the chart:



Financial and Operating Risk

A&E activity, outpatients and non-electives exceeded plan for the year whereas electives were below plan.

Total clinical income for the year was £213.4m, which exceeded the plan figure by £8.9m. Total normalised expenditure (excluding technical issues) for the year was £236.1m which was £6.5m higher than the plan of £229.6m. Expenditure on pay exceeded the plan by £3.4m which included agency staff totalling £1.6m although this is partly offset by vacancies in substantive posts. Drugs expenditure was £3.2m higher than planned although some of this was recovered via income for specialist drugs not funded through Payment by Results.

£7.6m of cost improvements (CIP) and efficiency savings were achieved during the year.

Capital Investment Programme

During the year the Trust completed £16.8m of capital investments which will significantly improve services for both patients and staff. A summary of capital investment undertaken in the year is provided in the table below:

Capital Investment Scheme	Investment Benefit from Activities	Value £'000
Estates	Includes interim and retained estates associated with hospital move and demolition.	1,519
	Further progress on the Research and Education building Phase 2.	9,266
Information Technology	Investment in IM&T including GDE and Electronic Patient Record costs.	3,526
Medical Equipment	Investment in medical equipment inclusive of equipment replacement cycle.	1,503
	Finance leases taken out for essential medical equipment - defibrillators and vitrectomy	353
Alder Hey in the Park	New hospital non-medical equipment and site development costs.	634
Total Capital Investment 2017/18		16,801

ESTATES



£ 1,519,000

Interim / retained estates / hospital move

£ 9,266,000

Progress on the Research and Education building

INFORMATION TECHNOLOGY



£ 3,526,000

Investment in IM&T

MEDICAL EQUIPMENT



£ 1,503,000

Investment in medical equipment

£ 353,000

Finance leases for essential medical equipment

ALDER HEY IN THE PARK



£ 634,000

Non-medical equipment and site development

TOTAL CAPITAL INVESTMENT 2017/18 IS £ 16,801,000



Better Payments Practice Code – Measure of Compliance

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



	2017/18	2016/17
% of Invoices Paid Within 30 Days	88%	84%

Accounting Policies

There have been no significant changes to our accounting policies since authorisation as a foundation trust. We have complied with the cost allocated and charging requirements set out in HM Treasury and Office of Public Sector Information guidance and followed the NHS costing manual and best practice guidance published by NHS Improvement. The Finance Department works with all financially significant departments to use the activity information available within the Trust and an established NHS costing package to appropriately allocate expenditure to services and patients.

GOING CONCERN

The Trust's financial plan for 2017/18 will achieve a 'normalised surplus' of £22m and achieve a Use of Resources rating of 1.

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

POST BALANCE SHEET EVENTS

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

BOARD STATEMENT

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

The Board of Directors approved the foregoing Performance Report at its meeting on 22nd May 2018.

Signed on behalf of the Board.

Louise Shepherd

LOUISE SHEPHERD CBE

Chief Executive
22nd May 2018

ALDER HEY USES MRI/ CT DATA TO CREATE 3D PRINTED MODELS OF PATIENTS ANATOMY OR DISEASE PROCESS

The 3D printed models help in pre-operative planning by allowing the surgeon to not only see - but feel the anatomy that they are about to operate on.



Some of the models created are so lifelike that mock operations can be performed to rehearse difficult procedures before the child is under anaesthetic. This has been used in an enormous variety of cases from planning the placement of heart valves to

helping surgeons understand how to straighten deformed spines. The models can also be used as educational aids for trainees by providing physical representations of some of the very rare conditions that we see at Alder Hey.

**PICTURED:
ORTHOPAEDIC
CONSULTANT,
JAY TRIVEDI**

ACCOUNTABILITY REPORT

DIRECTORS' REPORT



COMPOSITION OF THE BOARD OF DIRECTORS

Chair and Chief Executive

Sir David Henshaw - Chair

Sir David took up post as Chair of Alder Hey in February 2011; he was re-appointed in January 2014 for a second term of three years and in December 2016 and December 2017 the Council of Governors approved his re-appointment for a further twelve months in order to ensure leadership continuity on the Board. Among his many achievements, Sir David was responsible for the review of the child support system in the UK in 2007. He was also involved in the Prime Minister's Delivery Unit Capability Review Programme of central government departments. Alongside his valuable experience within the health arena, including as Chair of NHS North West for four years, Sir David has worked extensively in local government. He spent ten years at Knowsley Borough Council before being appointed as Chief Executive of Liverpool City Council, a role which he occupied for seven years. Today, Merseyside residents see and are enjoying the benefits from many of the regeneration

initiatives his team brought to the region, including securing the award of European Capital of Culture in 2008. Alongside his role at Alder Hey, Sir David has also been a Chair and Non-Executive Director for a number of other public and private organisations.

Sir David has been asked by Monitor and subsequently NHS Improvement, to take on the role of Interim Chair at four other NHS organisations over the past six years: between February 2012 and April 2013 at University Hospitals of Morecambe Bay NHS Foundation Trust; at Dorset Healthcare NHS Foundation Trust which he undertook from October 2013 to April 2014; at St Georges NHS Foundation Trust in London for twelve months from March 2016 and most recently at Wirral University Teaching Hospitals NHS Foundation Trust from February 2018 for a period of six months. In March 2017 Sir David was appointed as the chair of National Museums Liverpool.

Louise Shepherd CBE - Chief Executive

Louise joined Alder Hey as Chief Executive in March 2008, since when she has led the Trust through a major transformation into Europe's only Children's Health Park, designed by and for children and young people and opened by Her Majesty the Queen in 2016. The Park aims to provide a unique wellbeing and healing environment for all children and young people and comprises a state of the art specialist children's hospital, dedicated research and education facilities, an innovation centre, clinical research facility and family support and bereavement centre.

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

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

Executive Directors

Dr Steve Ryan - Medical Director

Having graduated from the University of Leeds, Steve completed his medical training as a paediatrician in and around Leeds and Manchester. He took up his first consultant role in Liverpool working as an academic and general and neonatal paediatrician. He developed a major interest in the use of effective communication skills, joining the faculty established by Merseyside GPs.

Subsequently he focussed his clinical work on general paediatrics, establishing a headache specialist service and a service for the medical treatment of brittle bone disease. Increasingly interested in leadership he was first appointed as Medical Director of Alder Hey Children's Hospital in 2004, and was there when it became a Foundation Trust in 2008. At about that time he was invited to be Clinical Chair of the Next Stage (Darzi) National review subsequently becoming the Deputy Medical Director for NHS North West England.

In 2010 Steve was appointed as Medical Director at Barts and the London NHS Trust, then in 2012 as Barts Health's inaugural Medical Director. He maintained a long-standing interest in public health and appointed a Director of Public Health to his team to join a Director of Primary Care. Steve aimed to work closely with local GPs to build more effective care pathways, as well as facilitating reconfiguration of specialist cancer and cardiac services.

During 2015 Steve was Strategic Transformation Lead for the Healthy London Partnership for Mental Health Care Transformation for children and young people – supporting the implementation of the national strategy "Future in Mind" across London. He has also supported the clinical leaders in two London STPs, been a governing body member of Barking and Dagenham and Havering CCGs and acted as an adviser to the a Royal Free Hospital on clinical equipment procurement. Steve returned to Alder Hey as interim Medical Director in April 2017.

Hilda Gwilliams - Chief Nurse

Hilda joined Alder Hey in February 2013 as Deputy Director of Nursing and has been appointed as Chief Nurse in 2017. Formerly, Hilda was deputy Director of Nursing at St Helens and Knowsley NHS Trust for three years where she gained experience in moving hospital services from an old build to a new purpose built hospital. She qualified as a nurse in 1984 and spent a number of years in a variety of clinical roles in surgical specialties including neurosurgical intensive care. Hilda has maintained strong educational links and continues to provide professional guidance in relation to 'fitness for practice' concerns pertaining to students at local HEI's. Hilda holds an MSc in Health and Social Care from Edge Hill University.

John Grinnell - Director of Finance and Deputy Chief Executive

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

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

John became Acting Chief Executive at RJAH in October 2015 until taking up the position of Deputy Chief Executive on 1 April 2016. This was the role in which he remained until joining Alder Hey a year later.

Adam Bateman - Chief Operating Officer **(from January 2018)**

Adam was Acting Chief Operating Officer from January 2018 and appointed substantively to the role at the end of March. Adam first joined Alder Hey in 2015 as the General Manager for the then Surgical Clinical Business Unit. Prior to this, Adam held a number of acute hospital operational management roles in emergency, medical, surgical and community services.

Adam first joined the NHS in 2005 through the National Graduate Management Training scheme. He holds an MSc degree in Healthcare Leadership from the University of Manchester. Through the NHS Leadership Academy Adam successfully undertook a healthcare information fellowship at GlaxoSmithKline. He is presently on the Nye Bevan Programme for senior NHS leaders.

Adam has a particular interest in service improvement and has worked on a number of successful projects, including the design and build of new cancer treatment units, and collaboration with voluntary organisations to improve the level of support and care to people in their own home.

Melissa Swindell – Director of Human Resources and Organisational Development

Melissa is the Executive Director of HR and OD, and has worked at Alder Hey since 2009. Following her graduation in Economic and Social History from the University of Liverpool, Melissa started her HR career in the airline industry, before joining the NHS. She has worked in HR and OD in a range of NHS organisations both in London and the North West. A Chartered Fellow of the CIPD, Melissa also has postgraduate qualifications in training, a range of personal and team development tools and coaching. Melissa leads the people development agenda at Alder Hey and has a passion for improving staff engagement and wellbeing.

Erica Saunders – Director of Corporate Affairs **(non-voting)**

Erica joined the Alder Hey team in September 2010 as Director of Corporate Affairs. She began her NHS career in 1991 through its graduate management training scheme. Erica spent over ten years working in primary care and commissioning roles before moving to the acute sector in 2003. Part of her job includes the role of Trust Secretary, advising and supporting the Chair, Board of Directors and Council of Governors on

all aspects of regulation and corporate governance. Prior to coming to Alder Hey, Erica was Director of Corporate Affairs at the Liverpool Women's NHS Foundation Trust where she directed the successful application to become the first foundation trust in Merseyside. Erica holds an MBA as well as a BA (Hons) degree from the University of Liverpool.

David Powell - Development Director **(non-voting)**

David joined Alder Hey as Development Director in December 2012 and has over 30 years' experience working in the NHS. Prior to his role at Alder Hey, David held Development Director posts in Bristol and London overseeing new hospital programmes. David has a history degree from Manchester University and is a qualified accountant.

Dani Jones - Director of Strategy (non-voting) **(from November 2017)**

Dani joined Alder Hey in October 2017 from Liverpool Community Health, where as Deputy Chief Operating Officer she had responsibility for a wide range of services including public health, health visitors, school nurses, district nurses and rapid response therapists. At LCH, Dani led successful delivery of the Clinical Strategy, working closely with Community staff, GPs and The Kings Fund. Dani also had responsibility for Frailty, Specialist nursing, Telehealth, Single Point of Contact and IM&T.

Dani has 14 years' experience in health and social care in Merseyside, having held a number of lead roles in health and social care integration. Dani is incredibly proud to work in the NHS and is passionate about making positive improvements with patients and staff.

At Liverpool Clinical Commissioning Group, Dani worked closely with GPs as managerial lead on integrated community care teams, frailty and diabetes. Dani successfully developed partnerships with primary and community care, mental health, acute sector colleagues, community and voluntary sector partners to set up new services that have improved outcomes and experiences for patients. Prior to that, Dani held roles across Liverpool City Council and Liverpool Community Health joining up health and social care, and led a programme of telehealth and telemedicine at scale across NHS Merseyside.

Following her graduation in Economics and subsequent masters in Health Care Ethics at the University of Liverpool, Dani began her NHS life in technology and innovation at Central Liverpool PCT. Dani achieved an Executive Leadership in Healthcare award through the 'Nye Bevan' programme in 2017.

Mags Barnaby - Interim Chief Operating Officer (non-voting) (to December 2017)

Mags has extensive senior level experience in planning and delivering services to achieve national and local targets, and in the strategic and operational management of change. She is passionate about the NHS and driven by a desire to make a positive difference to the quality of services for patients and staff. One of her key strengths is an innate ability to identify the links in complex problems, particularly the human dimension, in order to develop strategic vision and problem solving. In over 25 years working at a senior level in the NHS, Mags has held substantive appointments as Director of Human Resources, Director of Operations, and Director of Planning and Strategy in England and Wales. She was awarded a BA (Hons) at Warwick University in 1984, following which she studied a number of professional and post-graduate courses including MSc Strategic Human Resources Management (Leeds Business School 1991), MIPD (1997), Postgraduate Certificate with the National Leadership and Innovation Agency (Birkbeck College 2007). In 2016 Mags attended Harvard Business School to study Advanced Negotiation Skills for Strategic Decision Making.

Louise Dunn - Director of Communications and Marketing (non-voting) (to 31 May 2017)

Louise joined Alder Hey with over 20 years' experience working in the pharmaceutical industry. Most recently she was Vice President of Communications for Research and Development and Global Commercial Franchises at GlaxoSmithKline. In this role, she led internal and external communications around a multi-year transformation of GSK's global research and development and the subsequent commercial launches of a number of new medicines. Prior to this she worked in GSK's International, Global and UK Operations. Louise graduated in biochemistry from Oxford University in 1992 and started her career in consultancy. At Alder Hey, Louise's priorities are to build the reputation of the organisation, enhance the Alder Hey brand and engage employees in the long term business strategy. Louise is responsible for marketing and communications for both the Trust and the Alder Hey Children's Charity.

Mark Flannagan, Director of Communications and Marketing (non-voting) (from July 2017)

Prior to joining Alder Hey, Mark was the Chief Executive of the charity Beating Bowel Cancer from 2010 to 2017. In that role he led advocacy around access to cancer medicines and took a high profile role in advocating for a new approach that involved patient experience. He is widely recognised as a highly experienced speaker, policy analyst and communicator and has connection

at the highest levels in government and the UK health services. Mark has worked at Board level in a number of high profile health organisations, including: the Royal College of General Practitioners; the Royal College of Nursing and Diabetes UK.

Non-Executive Directors

Steve Igoe - Non Executive Director/Senior Independent Director and Chair of the Audit Committee

Steve joined the Alder Hey Board in October 2010 and was re-appointed by the Council of Governors in September 2013 for a further three years. In September 2016 the Council of Governors approved Steve's re-appointment for a further twelve month period in order to ensure continuity on the Board. Steve is the Deputy Vice-Chancellor at Edge Hill University and a Chartered Accountant by training. Prior to working for Edge Hill, he worked for Coopers and Lybrand Deloitte a predecessor firm of Price Waterhouse Coopers as a Senior Manager in their North West offices. In his current role he has Board responsibility for Finance, IT, HR, Infrastructure and Estate Developments, Facilities Management, Learning Services and Strategic Planning. He has previously advised the Government on the regulation of the Higher Education sector and was an adviser to the Higher Education Funding Council for England (HEFCE) Board on leadership, governance and management and costing systems within higher education. Steve has been a Governor of a large acute NHS trust, a trustee of a charity specialising in respiratory education and an executive and founding director of a substantial IT network company. As well as acting as chair of the Trust's Audit Committee Steve also chairs the Integrated Governance Committee and is a member of the Clinical Quality Assurance Committee. Steve is also the trust's Freedom to Speak up Guardian.

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

Ian joined the Alder Hey Board in September 2011 and was re-appointed for a second term of three years in September 2014. He was re-appointed by the Governors for a further 12 months in September 2017. Ian is a Chartered Accountant and joined Ernst and Whinney (now Ernst and Young) in 1974 and in 1982, became a partner. In 1988 he became Group Finance Director of the Albert Fisher Group PLC, a leading global food processor and distributor. From 2003 to 2013, Ian held senior positions with VPS Holdings Limited, which is the largest void property services company in the world. Between 2003 and the beginning of 2011 he was Group Chief Executive, during which

time the turnover of the business increased from £3m to £200m. Between January 2011 and October 2013 he was a director of the business responsible for acquisitions. Ian is now the Group Chief Executive of The Clearway Group Limited, a void property services group.

Jeannie France-Hayhurst - Non-Executive Director

Jeannie took up her role at Alder Hey in July 2013 and was re-appointed for a second term of three years in June 2016. She is a highly-regarded family law barrister with wide experience of the voluntary sector, politics and the commercial world. She is known throughout the wider community in the North West as a fearless advocate and is much sought after on the seminar/lecturing circuit. Jeannie has made time in her busy career for voluntary and charitable work and has extensive experience of dealing with vulnerable adults and the socially disadvantaged. She has significant experience of service on boards and committees at both local and national level.

Claire Dove OBE - Non-Executive Director and Chair of the Workforce and Organisational Development Committee

Claire joined the Alder Hey Board in October 2013 and was re-appointed for a second term in September 2016. She is a high impact leader of social change and brings a track record of success from a variety of non-executive, executive and community leadership roles – shaping policy and practice in the business, social enterprise and charity worlds. Renowned in Merseyside, known nationally and internationally, Claire's work in education, regeneration, anti-poverty, equality and fairness arenas positions her as an independent thinker, experienced practitioner and trusted adviser to many. She was awarded an OBE for services to education in 2012. Claire's achievements cross many decades, fields and roles. Having built the award winning Blackburne House Group (BHG) over the last 30 years, her attention is now moving towards growing a portfolio of roles to complement her work at BHG.

Anita Marsland MBE - Non-Executive Director and Chair of the Clinical Quality Assurance Committee

Anita was appointed to the Board in July 2014 and was re-appointed for a second term in June 2017. She began her career in Local Government in 1974 and is a qualified social worker. She later held a range of senior management posts, rising to Chief Officer. In 2002 Anita became one of the country's first joint Chief Executive appointments between an NHS

organisation and a Local Authority. Anita has pioneered integrated working between Local Government and the NHS for many years and the model of partnership working that she has developed has been adopted and implemented successfully in other parts of the country. She has a strong reputation nationally for promoting and implementing innovative solutions to tackle health inequalities. Her work has been acknowledged through several awards including an MBE for services to health and social care in 2008. In 2010 Anita was seconded to the Department of Health as Managing Director (Director General level) to lead the setting up of Public Health England (an executive agency of the DH) as the delivery arm for DH public health policy, in line with changes introduced by the Health and Social Care Act 2012. In 2017 Anita was awarded an Honorary Membership of the Faculty of Public Health.

Dame Jo Williams - Non-Executive Director

Dame Jo joined Alder Hey in November 2016. She trained at Keele University as a social worker alongside studying for a dual honours degree. Once qualified she spent the next 30 years in the public sector; the last ten as a Director of Social Services firstly in the Metropolitan Borough of Wigan and then Cheshire County Council. She then worked for five years as Chief Executive of the Royal Mencap Society. Her full time working career concluded with a three year period as Chair of the Care Quality Commission. Twice honoured by the Queen, she received a CBE in 2000 and a DBE in 2008. Dame Jo has always been driven by a passion for equality of opportunity, fairness and justice and is a strong believer in team work and partnership. Currently the Chair of Vivo Care Services, a member of Keele University Council, a trustee of Dartington Hall Trust and a Deputy Lieutenant in Cheshire.

DECLARATION OF INTERESTS

A copy of the Register of Interests is available by request from Erica Saunders, Director of Corporate Affairs via the Membership Office on **0151 252 5128** or by email at membership@alderhey.nhs.uk.

POLITICAL DONATIONS

Alder Hey did not make any political donations during 2017/18.

NHS IMPROVEMENT'S WELL LED FRAMEWORK

NHS Improvement introduced updated guidance for organisations on the use of the well-led framework in June 2017. The Alder Hey Board had agreed to commission an external review under the previous guidance in April 2017; as part of this it had undertaken an initial self-assessment at that point and made the decision to commission MIAA (Mersey Internal Audit Agency) in partnership with AQuA (Advancing Quality Alliance). The review itself did not commence until November 2017 owing to a number of Board members being involved in the delivery of the management contract at Liverpool Community Health NHS Trust between May and the end of October.

The comprehensive review was carried out in accordance with the revised guidance and therefore had a strong focus on integrated quality, operational and financial governance and was based upon a number of key lines of enquiry developed by CQC to test out leadership, culture, system working and quality improvement. The methodology for the review consisted of four key areas of interlinked activity to enable in depth triangulation of the findings; these were: a desktop document review; one-to-one interviews; board and sub-committee observation and on-line surveys. The review involved some 40 people; as well as the Trust's Board members and senior managers, views were also sought from a range of external stakeholders including commissioners.

The draft report from the review was received in late February 2017; it states that *'The overall conclusion from our review is that the Trust is well-led. It is an organisation with lived values, a talented Board, a determined strategic intent and a momentum to developing a clinical leadership model.'* Whilst the Board welcomes such a positive conclusion, it is equally concerned to ensure that the developmental plan derived from such a rich and informative process is created and owned by the whole Trust leadership. A workshop session to discuss the recommendations from the report is to take place in the first quarter of 2018/19 to agree the priorities that will inform the Board's work plan for the next period.

QUALITY GOVERNANCE

The Trust's performance against the Quality Governance Framework - originally published by Monitor in 2010 and now adopted by NHS Improvement - has continued to be monitored via the Clinical Quality Assurance Committee on a quarterly basis. The Well Led Framework was developed from the Quality Governance Framework, thus Alder Hey's approach has been to review its governance arrangements and underpinning systems and processes on a

regular basis as the national landscape around good governance, quality and leadership has evolved.

The Clinical Quality Assurance Committee continued its work to oversee the development of the Trust's Quality Strategy during the year, seeking assurance from a variety of sources to ensure that it remains sighted on any risks as they emerge, for example the roll-out of the new sepsis pathway. The Committee instituted a programme of in depth 'Quality Assurance Rounds' to inform the Trust's ward to Board governance. These have been extremely well received across the hospital and the programme encompasses over 50 visits to ensure full coverage of every service. The Committee also monitors the delivery of the Quality Aims, incorporating measures of clinical effectiveness, patient safety and positive patient experience, via the Corporate Report which was redesigned during the year to better support the Trust's quality improvement approach.

The Integrated Governance Committee, chaired by the Trust's Senior Independent Director, has delegated authority to seek assurance on the management of risk across the whole of the organisation's activities and to hold each responsible officer to account for the effective management and mitigation of risks in their area. It operates an assurance mechanism that links together the Board Assurance Framework and Corporate Risk Register, which in turn is informed by individual Divisional and departmental risk registers. The Committee provides a structured process to test controls and ensure that strategic and operational risks are being addressed as part of a coherent system from ward to Board; this was revised and further strengthened during the year as part of the current phase of the risk management improvement plan, which has included a comprehensive risk register revalidation process.

The work of the Audit Committee complements this by discharging its responsibility for the maintenance of an effective system of internal control across the totality of integrated governance and risk management. During the year it received a report on the progress of the risk management improvement plan.

The Board Assurance Framework is scrutinised by the Board at its meeting each month to enable the Board to be fully sighted on key risks to delivery and the controls put in place to manage and mitigate them, as well as enabling all members to have an opportunity to identify key issues, concerns or changes.

Further details about the Trust's approach to the well-led framework and quality governance can be found within the Quality Report (page 81) and Annual Governance Statement (page 71).

PATIENT CARE

Infection Prevention and Control

In July 2017 the current Director of Infection Prevention and Control (DIPC)/Infection Control Doctor retired from the Trust. The Medical Director has taken up the role of DIPC and the Infection Control Doctor post has now been filled.

In May 2017 the new Head of Service/Associate Director of Infection Prevention and Control commenced in post, whose role is to oversee the strategic leadership of the Infection Prevention and Control (IPC) agenda both internally within the Trust and externally in the region and nationally. In addition they have the overall responsibility for the day to day management of the IPC, Intravenous Access and the Tissue Viability teams.

A new IPC work plan has been devised which fulfils the requirements of the 'Code of Practice' for all providers of healthcare and adult social care on the prevention of infections under the Health and Social Care Act 2008 (revised in 2015) and is mapped against the Trust's values. In conjunction with the IPC Work Plan, the IPC team has produced specific Trust-wide action plans to target key areas including environmental cleanliness, Methicillin Sensitive Staphylococcus Aureus (MSSA) bacteraemia and Surgical Site Infection Surveillance (SSIS). Both the work plan and the action plans are monitored through the Infection Prevention and Control Committee (IPCC) on a bi-monthly basis and through the Trust Board and Clinical Quality Assurance Committee on a quarterly basis.

As a paediatric trust, our patients are particularly susceptible to respiratory viruses such as influenza. The importance that staff place on protecting our children from acquiring respiratory viruses is demonstrated in the Trust again in 2017/18 achieving the 75% target for influenza vaccination.

2017/18 has seen the expansion of surgical site surveillance into all areas of inpatient surgery along with the introduction 'OneTogether' programme to reduce the incidence of surgical site infection and to benchmark against best evidence-based practice. The Divisional IPC Board continues to monitor progress and reports directly to the IPCC.

In addition, 2017/18 saw the creation of the new IPC dashboards across the Trust to communicate and monitor key IPC audits including monthly IPC, cleanliness and environmental estates audits. These dashboards along with the hand hygiene audits form the basis of the IPC audit programme incorporated in the IPC Work Plan.

Multi-antibiotic resistant organisms such as

Carbapenamase Producing Enterbacteriaceae (CPE) provide significant challenges to the NHS today due to the reduced treatment options available and the ease in which they may be transmitted. 2017/18 has seen a steady increase in the compliance with screening for CPE carriage at the Trust and early identification of carriers. Through close management and early identification of CPE carriers there have been no outbreaks at the Trust in 2017/18.

Domestic Services Review

In the second full year of occupation of the new hospital, the Chief Nurse led a review of the cleaning requirements of the building from both in terms of clinical areas and the public spaces. The review utilised independent experts to inform a solution that includes state of the art cleaning methods and equipment that reflect the modern facilities that Alder Hey has invested in, to improve patient care and experience. This represents a further significant investment and will ensure that standards are consistently met and the service is responsive to clinical needs.

Matrons

Following the re-introduction of the Matron role to Alder Hey in 2016, the Chief Nurse has led a recruitment programme to bring in this key clinical leadership position across the organisation, with all posts now filled. There have been significant benefits seen from this additional layer of support to nursing teams; Matrons are instrumental in ensuring strong clinical governance to underpin the delivery of high quality care in accordance with the Trust's quality improvement aims. In addition, they have oversight of training and development needs for their respective areas, enabling the nursing leadership team to enhance the existing nursing succession plan. Matrons continue to be key members of Divisional management teams which have strengthened the Trust's devolved management model.

Devolved Risk and Governance model

The devolved model of governance implemented in December 2016, has continued to embed in the past twelve months. This devolved model of responsibility to the three clinical Divisions ensures that there is a clear structure that cascades responsibility from Trust Board to staff at the frontline, while maintaining accountability. The model provides assurance to the Trust Board that the delivery of quality, operational and financial performance is managed effectively from ward to Board. The focus continues to be on sound financial management, to assure delivery of continuous quality improvement throughout the organisation, to maintain patient safety at all times and to provide the best outcomes for the children in our care, with the best experience possible for both children and families throughout their journey.

Clinical Educators

The Trust has agreed to support the development of the Clinical Educator role at Alder Hey during the year, funding six additional clinical educators to help deliver skills based education and training and competency development for clinical staff. An additional Practice Education Facilitator has also been funded to underpin the development of pre-registered nursing students in accordance with RCN guidance. To lead this function a new Head of Nurse Education role has also been agreed which will help to develop the nurse education strategy and support the education team to deliver its objectives. This will form a cornerstone of the succession plan already developed by the Nursing Leadership Team.

Ward Accreditation scheme

The Ward Accreditation Scheme was developed in consultation with Ward Managers, Lead Nurses and Patient Safety Champions and informed by the views of children, young people and their parents/carers. The accreditation scheme has been named 'STAR' (Safe, Together and Always Right) – 'A Journey to the Stars', by the children and young people who will participate in the process of accreditation. In 2017/18, the scheme was fully rolled out across the Trust via a programme encompassing every ward and department on a systematic basis.

Volunteering Programme

2017 has been another successful year for Alder Hey Volunteers; the volunteers' profile has been raised throughout the Trust and in the community during the past 12 months which has been greatly appreciated by every individual who dedicates their time, knowledge and experience to our children, families and staff. Alder Hey continues to sustain over 500 dedicated volunteers. The various roles undertaken in 2017/18 have been consistent throughout the year enabling the services to be maintained to our patients and staff.

This year has seen a dramatic increase in our younger generation volunteering who come from various backgrounds. In total we have recruited over 80 16-18 year old students which will rise again in September to over 100. This is due to the continued success of the school and college links that have been developed and the reputation that Alder Hey has with the universities.

The range of tasks undertaken by our volunteers continues to exceed all of our expectations and is greatly appreciated by those who benefit from the support that our volunteers provide. Our latest roles that have been introduced include:

• Baby Cuddling Volunteer Role

The purpose of this role is to provide specific one to one support for patients – cradling babies and giving much needed nurture and support. Research shows that human contact helps calm babies, particularly those that have serious health issues and aids in their early development. Baby cuddlers help lower a baby's stress levels by holding and rocking them when nurses are busy and the infant's parents can't make it to the ward. It is reassuring for parents to know that there will be someone with their child whilst they can't be there. We now have volunteers placed in this role three days per week.

• Food Trolley Service

Feedback received by volunteers undertaking inpatient surveys that many families did not want to leave their child to go to the restaurant, has resulted in the establishment of a regular service that visits each ward between 10.00 and 12.00 daily, providing sandwiches, drinks and fruit. This has been well-received so far and represents another valuable service that our volunteers provide to families.

• Outpatient Arts and Crafts and Reading

We now have volunteers regularly visiting OPD to engage with patients and families who are waiting to be seen in clinic, helping to keep children distracted and calm before their appointment. For patients waiting to be seen in Eye Clinic it has been particularly helpful when children have had dilation drops and can't see very well to read or play. The next phase will see two new mobile book/toy trolleys funded by our Charity, to allow this service to expand.

Legal Advice Clinic

In early 2017, the Trust was approached by the School of Law and Social Justice at the University of Liverpool with a proposal to establish a free legal advice service for parents of children with a disability or illness, to be conveniently located at the hospital site. The proposal was part of the School's drive to better meet the needs of vulnerable people through partnerships which embed their law clinic service in the community and enable a greater understanding of access to justice needs, so as to inform policy and improve provision.

Research by the School indicated that parents of children with disabilities can have difficulty accessing legal advice due to pressure on their time and resources and often have a particular range of legal needs. As a complement to the Trust's own PALS service, it was happy to support the proposal to run a weekly drop-in legal advice service at Alder Hey to assist parents with some or all of the following issues:

- Support from the Local Authority including short breaks services, holiday play schemes, care at home, aids and adaptations, financial help with travel costs to hospital, direct payments;
- Welfare Benefits including disability living allowance, carers allowance, child tax credit, blue badges and motability scheme;
- Education and Health Care Plans;
- Disability discrimination (particularly in relation to education provision);
- Family breakdown.

Parents received initial verbal advice from a qualified solicitor followed by a letter confirming and summarising the advice.

The clinic was set up as a pilot in the summer of 2017 and has continued to gather momentum with uptake increasing incrementally; it has now been offered for three blocks of four weeks and will return to the hospital in the autumn when the new academic year commences.

The project was runner up in the Attorney General’s best new pro bono project category in April 2018, which was a significant achievement as there were many entries from across the UK. The University and the law students themselves are very proud of what has been created at Alder Hey and the help they are able to give to parents and carers.



Complaints

During 2017/18 the Trust received a total of 89 formal complaints, five of which were withdrawn. One additional complaint was also investigated using the root cause analysis (RCA) process, following the Trust’s Being Open policy and application of the Duty of Candour as appropriate. This was identified during the very initial stage of the complaints process. 83 formal complaints were therefore investigated and responded to.

There was a 20% increase of formal complaints in year compared with 2016/17; whilst this represents a higher number than previous years, the increase is associated with the overall increase in activity at the Trust in the year.

Formal Complaints

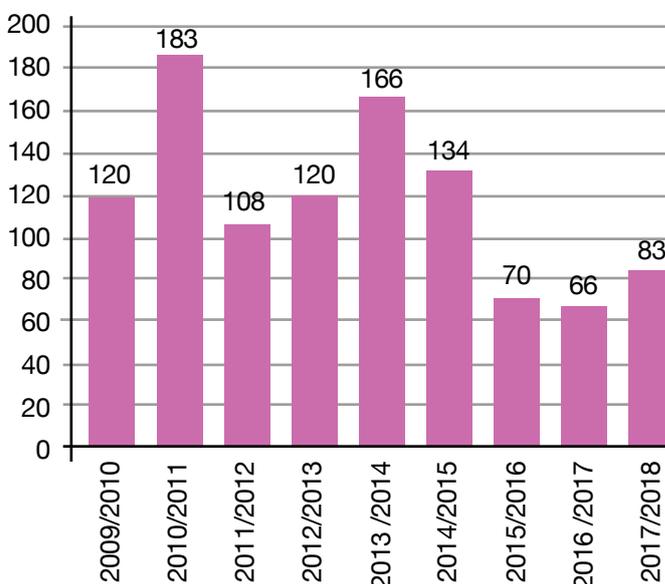


Table 1 – Formal Complaints Received Each Year

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

A higher proportion of complaints received by the Trust this year have been very complex, given Alder Hey’s status as a specialist tertiary centre; many of these involve children whose care has been provided by multiple specialities. In such cases the team engages with the complainant to agree a timescale within which the issues will be investigated and a response provided.

All complainants are offered the opportunity to attend a meeting to resolve their concerns or to receive a written response. The complaint meeting is recorded and a copy is provided to the family for their own records. Subsequently, a response letter from the Chief Executive is sent to the complainant acknowledging that the meeting has taken place and highlighting the actions that have been agreed in response to issues raised.

Learning from Complaints

Alder Hey is a learning organisation and uses complaints as a mechanism for taking forward improvements and changes in practice. Actions taken as a result of complaints during 2017/18 were as follows:

- In response to a number of concerns highlighted relating to mental health referrals the Trust has devised a letter which will be sent out to parents on receipt of referral acknowledging that their child is on the waiting list. The letter will also be an information tool showing the pathway stages and potential wait times for appointments. The letter also highlights a number of third sector partners (local charities / voluntary sector) who may be able to provide support during the waiting time for assessment.
- Issues highlighted regarding concerns within Ophthalmology service resulted in additional Consultants recruited to posts.
- Access to British Sign Language (BSL) interpreters – this was highlighted twice to the Trust and the difficulties sourcing on site BSL interpreters. A trial of a system that allows BSL interpreter to be accessed via desktop computer during an Emergency Department appointment or an Outpatient appointment has been undertaken and is currently in the process of being purchased permanently.

Management of Complaints and Concerns

The model of devolved governance implemented through the quality strategy is intended to drive early supportive intervention by the relevant clinical teams and Divisions so that children, young people and their families have the best experience, with any issues raised locally being dealt with immediately and appropriately.

Patient Advice and Liaison Service

The PALS service has continued to provide essential informal advice to families using Alder Hey; the team is highly visible and accessible via their base in the Atrium. In the coming year a project to understand the impact of addressing concerns within ward areas will be implemented to provide immediate and local response to issues as they arise.

PALS

	PALS
2013/14	1248
2014/15	1133
2015/16	1246
2016/17	1294
2017/18	1349
Comments	An increase of 4% in PALS queries is noted this year – this is the third year that PALS contacts have increased.

Improvements

- Earlier intervention from senior staff at a local level to address the concerns raised provides a much more supportive approach and better outcomes.
- High volume of concerns regarding poor access to speak to staff on phone lines. The Chief Operating Officer has led a project looking at new system providing access to landline phones on mobile via a new Avaya application.

STAKEHOLDER RELATIONS

Involvement in the Local Health Economy

Alder Hey provides more than 45 clinical specialties for children up to the age of 16 to 18. As part of delivering individual patient care pathways prior to, during and after each child's admission to hospital, clinicians and clinical teams work in partnership with referring general practitioners, clinicians/hospitals from across the UK and overseas. Alder Hey also works in partnership with Clinical Commissioning Groups (CCGs) and Specialised Commissioners at NHS England to inform and deliver service contracts that meet the needs of children served within available resources. Alder Hey provides community and mental health paediatric services in Liverpool; its partnership with Liverpool City Council is resulting in improved collaborative working at neighbourhood level to better support care closer to home. During 2017/18 the local Children's Transformation Board has agreed key priorities to improve the well-being of children in Liverpool. These priorities are also reflected in the City of Liverpool's growth plan and the LCCG 'One Liverpool' Plan for 2018/19. This means that there is Liverpool system-wide support and recognition of the priorities for children.

Alder Hey works closely with a wide range of Trades Union, professional, voluntary organisations, volunteers and our Council of Governors to continue to improve

the quality of our services and patient and family experience of our services. Increasingly, Alder Hey is seeking to build and strengthen partnership working with clinicians and wider staff groups through Listening into Action, Hackathons held by the Innovation team, clinical leadership and development and improved communications.

Alder Hey is committed to co-creating system-wide collaboration and shared models of care with our strategic partners. In order to achieve this, the Trust has continued to work proactively with local regional and national stakeholders. The focus during 2017/18 has been to strengthen existing partnerships and develop new ones to achieve the following aims:

1. Enhanced partnership working with trusts across Cheshire and Merseyside

in order to sustain and improve the quality of care provided to children and young people and their families. Alder Hey has continued to be a key member of the North West Congenital Heart Disease Partnership, working together to provide a fully compliant, resilient and clinically safe service model for adults and children across the North West of England, North Wales and the Isle of Man. The Partnership is now working together to deliver the agreed plan and new model of care during 2018 and beyond. In addition, partnership working with Liverpool Women's NHS Foundation Trust has resulted in an approved business case during 2017/18 for delivery of a two site single service model for neonates requiring surgery and level 3 Critical Care. This joint model of care will streamline patient transfers between hospitals and improve quality of care, outcomes and patient experience going forward. These new models are being funded through historical funding patterns and/or new business cases for new models of care agreed by commissioners.

2. Joint working with Manchester Children's Hospital

to continue to support and host clinical networks working together to improve standards and consistency of care and reduce unnecessary variation. Alder Hey Executive Directors meet with Manchester Children's Hospital Executives and jointly hold an annual Clinical Network Event to share best practice and promote good governance. There are four mandated clinical networks for paediatric services: Neonatal, Trauma, Burns and Critical Care. Alder Hey itself hosts the Neonatal Clinical Network, Cardiac Network, Trauma Network and Neurosciences Network.

3. As a member of Liverpool Delivery System

and in support of the Cheshire and Merseyside Sustainability and Transformation Five Year Forward View, Alder Hey is an active member of a number of partnership groups concerned with building a

sustainable model of care and improving clinical care, access and affordability. These include:

- Urgent Care Delivery Board
- Acute Sustainability Board
- Women's and Children's Service Partnership Vanguard
- Liverpool Integrated Care Provider Alliance
- Liverpool Children's Transformation Board, which from 2018 will report directly to Liverpool's Health and Well Being Board.

Alder Hey actively supports and participates in game-changing research. In 2017 Alder Hey achieved the largest number of all adult and children research trials in England. Alder Hey works in partnership with the Universities in Liverpool to both support and engage in meaningful research that will help improve child health outcomes in Liverpool. In 2018 there is a plan to create new senior clinical academic posts with academic partners, and to collaborate with the University of Liverpool across all three Faculties in line with the NIHR Futures of Health Report. Alder Hey will work in partnership to ensure that significant infrastructure awards are supported both deliver to plan and to grow.

International Child Health Developments

Alder Hey has a long history of engagement with International Child Health, encompassing a wide range of activities by both individuals and departments. Working internationally fully supports all aspects of the Trust's strategic plan, the Trust vision: "building a healthier future for children and young people"; the Trust aspiration: "to be World leading" and our goals for: delivery of outstanding care, the best people doing their best work, sustainability through external partnerships and game-changing research and innovation.

International collaboration is ongoing with Kanti Hospital in Nepal, the University of Malawi College of Medicine and Queen Elizabeth Central Hospital in Blantyre, Malawi. The agreed schedule of work with the Al Jalila Children's Hospital in Dubai was completed and provided opportunities for staff to experience international collaborative working in Dubai which secured additional income for Alder Hey.

The Trust continues to build its international reputation and the international team has developed an expanded network with international trade organisations including, the Department of International Trade, Healthcare UK, and Liverpool Vision. An indication of the organisation's reputational reach is the hosting of thirteen official visits from international delegations including visitors from Russia, China and the Middle East. The visits

have resulted in Memoranda of Understanding being developed with two healthcare organisations in China within the Hunan and X'ian Fengdong provinces.

Collaborative working is ongoing with the Liverpool School of Tropical Medicine and the Royal College of Paediatrics and Child Health (RCPCH) to provide clinical observership placements for doctors and more recently nurses from low income countries.

To acknowledge the extensive portfolio of international initiatives, a Department of International Child Health has been established at the Trust following discussion with the Board. This umbrella unit is responsible for implementing a comprehensive strategy by coordinating all aspects of international work; health partnerships, humanitarian, commercial, ICH education, research and innovation, within a cohesive governance framework. The work of the Department of ICH will contribute to Alder Hey becoming recognised as one of the best children's hospitals in the World.

The Alder Hey Academy

During 2017 the expansion and development of the Academy at Alder Hey has gathered momentum. This commitment is in line with the Trust's five year strategic plan to become a world renowned centre for paediatric education and training.

Since June 2017 the Academy has delivered several successful and well attended specialist masterclasses aimed at all areas of specialist paediatric healthcare. The Academy team is working in close partnership with the University of Liverpool, Liverpool John Moores University, Edge Hill University and University and the University of Central Lancashire (UCLAN) to expand on our current portfolio of training programmes to meet the current and future needs of healthcare professional both in the UK and Internationally.

Internationally we have cooperated with Healthcare UK; a division of the UK Government's Department for International Trade to explore how we can share Alder Hey's expertise in order to help shape and improve the standard of healthcare outcomes worldwide. In February 2018 the Alder Hey Academy successfully secured a three year contract with TEMC in Beijing, China to provide UK based training for senior Chinese doctors who will be the future leaders of healthcare across China. They aspire to understand UK Healthcare model with a view to implementing this model once they return to their prospective hospitals.

We also recognise this as an opportunity for Alder Hey clinicians to learn and share expertise with their overseas contemporaries. The contract also includes an agreement to increase the opportunity of training and education opportunities that Alder Hey can deliver across China. Our other international opportunities continue to grow either directly or through the Department of International Child Health and we are currently accepting applications from the Middle East to join our Clinical Observership programmes.

Partnership engagement both internationally and within the UK has allowed us to establish the profile of The Alder Hey Academy worldwide and to become a leading innovator of Paediatric Healthcare Training.

This is a very exciting and busy time for the Academy and going forward we will continue to develop and expand with a view to enhancing the care that is offered at Alder Hey and in the wider community to ensure all patients have a good experience both in the hospital environment and in primary care.

Alder Hey in the Park – Our Vision for the Alder Hey 'Campus'

Alder Hey has continued to progress towards the vision of a specialist campus for Children's Health with the visible demolition of much of the old hospital in preparation for new buildings and parkland. 2018/19 will see three exciting Trust buildings at varying stages of completion.

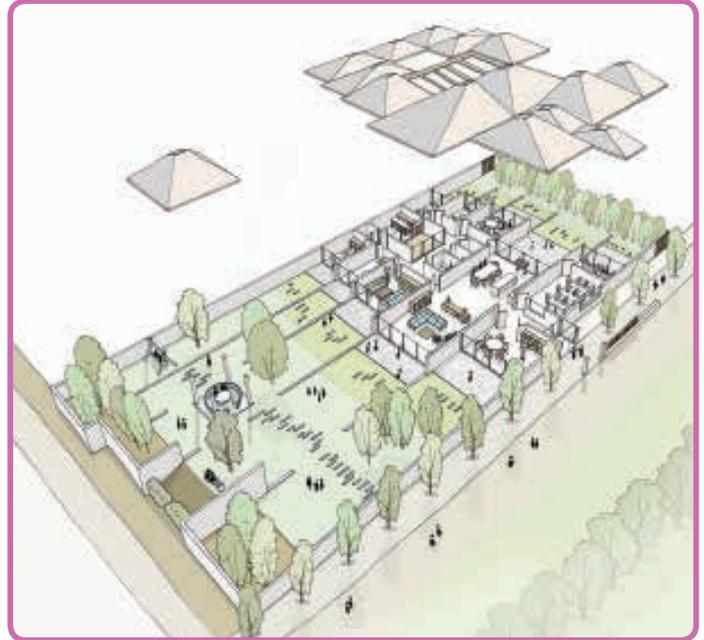
The Institute in the Park

The second phase of the Institute in the Park building will be completed in August and occupied in September 2018. This is a specific date because it is the start of the new University academic year, given that the new building will welcome occupants from four universities as well as Trust research and support departments. The University of Liverpool, Edge Hill University, John Moores University and the University of Central Lancashire (UCLAN) will all be housed in the building. This is an exciting opportunity bringing many different researchers and education faculties into one facility to share and learn for the future benefit of Children's Health.

The Alder Centre

The Alder Centre will be the first purpose built building to house counselling services for all those affected by the loss of a child, including the 'National Child Death Helpline'. This very special service will be situated on part of the demolition site identified as Trust expansion space within the masterplan. The single storey building

with an eye catching roof profile and private garden space with private views of the future parkland was designed via a very rigorous RIBA competition inspired by the vision 'a place like no other'. Construction is expected to commence in early summer 2018 and complete by spring 2019.



Our new Alder Centre will bring light and comfort creating the perfect facility to provide a whole host of new and varied therapeutic services for bereaved families and hospital staff.

The Community Cluster

Developed with the vision of 'a community parkland for children' the community cluster is a campus of buildings that relate to each other but can be built in phases over a period of years as finances and service demands dictate. Designed via a RIBA competition that attracted some of the biggest architectural names in the country, the cluster is a very exciting, innovative and challenging solution that brings several different services into a shared space. The first phase of the building will accommodate CAMHS, Neuro Assessment Outpatients, Psychology, Orthotics and local Police administration offices. Phases that follow are expected to include the Dewi Jones Unit, Sandfield Park School and a twelve bed Rehabilitation Unit. The building will be situated between the Alder Centre and the Institute in the Park on part of the demolition site identified as Trust expansion space within the masterplan. The chosen design will feature undercroft parking, views of the future parkland, private garden areas and clear landscaped routes between Eaton road and the park, and the adjacent Alder Centre and Institute in the Park in order to optimise the changing land levels. Detailed design with users is scheduled to start in May with construction expected to commence in late Autumn.

Springfield Park Initiatives

Access and Health

A series of developments completed within Springfield Park this year are expected to encourage more local use of the park as well as attract hospital visitors and staff. They are targeted at easing access for and encouraging interest from local residents, children and families, nature lovers, and those interested in art. The recent development of the woodland area in Springfield Park and the installation of a pram and disabled accessible forest path will allow the local community greater access and it is expected that the availability of a rich multi-sensory nature experience and restorative environment will deliver physical and mental health benefits. Much of this work was funded in Partnership with a grant from Veolia and the next stage is the design and installation of an interactive interpretation trail in partnership with local schools allowing visitors to learn about the environment as they walk.

Education and Research

In partnership with Lancashire Wildlife Trust (a registered charity dedicated to protecting wildlife and natural habitats throughout Lancashire, Manchester and North Merseyside), the Forest School area built in the woodland and opened in May 2017, has gone from strength to strength. Three local primary schools have been trained as Forest School leaders and used the venue on a weekly basis to develop social

and emotional intelligence, confidence, practical and creative skills and team building in their primary school classes. Feedback has been extremely positive and other local Primary Schools are expected to participate in the next school year. Discussions have commenced with John Moores University to develop and an evidence based research project utilising Springfield Park as an outdoor research facility for the University's Environmental Department.

Art and Health

Alder Hey's partnership with the Woodland Trust has seen the installation of a Tree Charter Marker sculpture in Springfield Park. This is one of 10 that were installed in sites around the UK as a national monument to mark the launch of the Charter for Trees, Woods and People in November. The Springfield Park sculpture is particularly relevant as it is the only one in England with carvings and commissioned poetry to celebrate the importance of trees to health and wellbeing. This national monument will serve as a legacy in the landscape for the Tree Charter, ensuring it and the principles that underpin it remain in public consciousness. It will also highlight the work Alder Hey is doing to promote health and wellbeing through connection with the natural environment.

A poetry competition that attracted 500 entries from as far as Australia and India as well as many local schools has led to the best poems from all age groups being permanently displayed around the park to encourage walking around the park and a greater understanding about trees which are the subject of all the poems.

Participation

Meetings, workshops and communications will continue with local schools, residents and the Friends of Springfield Park Group to develop future developments for 2018/19 which include the design of the first area of park to be returned as well as smaller items such as providing benches and seating areas for varied age groups and smart storage bins for volunteer use.



The Alder Hey Children's Charity

Autumn 2017 marked the fifth anniversary of the re-launch of Alder Hey Children's Charity in preparation for the new hospital appeal. Since that time the Charity has grown both its supporter base and income bringing on board national companies and raising income from £1.3m per year to £7.7m in 2017/18. This has enabled the Charity to grant over £35million to Alder Hey Children's NHS Foundation Trust to support state of the art medical equipment, enhancement of patient facilities and vital research.

To facilitate this growth, the team has expanded with 21 staff now employed within the Charity across all areas of fundraising. Investment in marketing has also been vital in raising awareness about The Alder Hey Charity and the support we offer to patients and families at Alder Hey.

During the 2017/18 financial year the Charity granted further funds to support the second phase build of the research and education centre 'The Institute in the Park', bringing the total charity contribution to this £27million build to £6.2million. This purpose built facility will support the Trust's ambition to significantly improve the fight against childhood disease and enable the development of better medicines and treatments, with the impact not only improving the lives of patients here in Liverpool but with the potential of helping young people across the world.

The concept of the new 'Institute in the Park' was to provide a state of the art facility alongside the new Alder Hey Children's Hospital, which will both attract the best researchers in their field and enable joint working with key universities to accelerate improvement in child health.

In addition to the research appeal, the Charity has contributed a further £3million funding to support:

- Ward based catering: the ward based catering programme at the hospital provides a food on demand service on wards, encouraging healthy eating and nutrition to support patients recovery to health.
- Play at Alder Hey: Alder Hey treats over 270,000 young patients each year, many of whom are babies and require specialist distraction techniques to calm them during enable procedures. Our young patients also often who need specialist therapy before treatment to help them deal with anxiety. Some of the other services the play team support include organising daily play and art activities in the playroom or at the bedside and using play to maintain a child's level of development during illness. During 2017/18 the charity was able to offer a one off grant to support this activity.

- The patient experience and spiritual care team: this services allow the delivery of enhanced level of patient experience and therapy to patients and families and staff to access whilst a user/ staff member of Alder Hey. The spiritual care team provides a unique service to our patients and families supporting them through the difficult journey when receiving specialist care at the Trust.

During the year, the Charity was also able to support the Trust's plans to build a new home for its bereavement centre by securing a £1.4m from the Treasury through LIBOR grant funding. This is a unique, national centre of excellence which provides care and education for anyone affected by the loss of a child. The National Child Death Helpline is also run from this facility. It will be housed in a purpose built, state of the art environment within the wider health park. Building is due to commence in the summer of 2018.

In addition to this, the Charity was also able to secure a grant of £50,000 from The People's Millions for a project which brings music to children on wards, fund enhanced medical equipment, such as heated cots for our youngest patients as well as support enhancements to patient waiting areas and distraction along the route to the operating theatres.

The Charity continues to increase its strong community fundraising base, particularly throughout the North West. Income through sponsored events came in at over £450k. Our own bespoke events are all now well established and continue to be successful, grossing over £250k. During 2018/19 we shall continue to expand our fundraising base with the addition of a specific schools fundraiser.

Lottery membership continues to grow steadily and is particularly successful where canvassers work from within the hospital. Attrition rate has fallen and membership is now over 15,000.

Our corporate fundraising continues to make significant impact at Alder Hey not only through financial donations but also through the sharing of expertise and knowledge. Our partnership with Matalan continues to offer significant support not only financially but in raising awareness about Alder Hey through the annual campaign on social media. Liverpool John Lennon airport continues to support the development of the Alder Play app and this partnership will be significant in our major fundraising event in the summer of 2018.

During 2017/18 income from legacies rose significantly, with several substantial gifts bringing our legacy income to over £2 million. This is an area which the Charity will continue to promote during the upcoming year.



Alder Hey's collaborative campaign with Matalan has raised over £1.7 million to support vital research. The campaign has followed three successive years with 2017's campaign #GetSpotted involving pyjamas adorned with a fun spot print and the Alder Hey charity mascot – Oli the elephant.

Pictured: former X-Factor contestant, Louisa Johnson.

Looking to 2018/19 the environment continues to be challenging with changes to legislation through the introduction of GDPR meaning that some of the more traditional ways of funding are now dying out. During the year the Charity has reviewed its process, policies and practice to ensure it is GDPR compliant.

The Charity will continue to innovate in both fundraising and partnership activity to raise much needed funds for Alder Hey Children's NHS Foundation Trust. Toward the end of 2018 the charity will be launching its next appeal which will focus on working more strategically with the hospital to establish a national footprint to facilitate further growth.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

REMUNERATION REPORT

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

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

The Chair undertakes the annual appraisal of the Chief Executive, who in turn is responsible for assessing the performance of the Executive Directors and Associate Directors. The Committee convened twice during the year with all Non-Executives attending.

The Committee's focus in-year was on succession planning and arrangements for Executive Director vacancies. The Committee received professional advice from the Director of Human Resources and Organisational Development, who has access to comparative information from the sector.

The Chief Executive and Executive Directors are employed on permanent contracts of employment, other than the Medical Director who is employed on an interim basis; they are entitled to receive three months' notice and may give six months' notice. Provision is included within contracts of employment for contracts to be terminated with immediate effect and without compensation in certain circumstances. In accordance with the Trust's policy on senior managers' remuneration, rates of pay for all senior managers are based on job size, market intelligence (including published remuneration surveys) and performance. In addition, this assessment has also taken into account NHS Improvement's guidance on 'Established Pay Rates.' They are also set with regard to the remuneration of other Trust employees who hold contracts under terms and conditions agreed nationally, by assessing relative and proportional rates of pay.

The Nominations Committee of the Council of Governors is responsible for setting the remuneration, allowances and other terms and conditions of Non-Executive Directors. It comprises one appointed governor and two elected governors, one of whom must be a staff governor; its other members are the Trust Chair (or Acting Chair in the case of the appointment of a new substantive Chair) and Chief Executive. The Committee's duties are to review the balance of skills, knowledge and expertise required on the Board in the context of the challenges ahead and in this context to agree job roles, person specifications and modes of advertisement, to undertake short-listing and to make a formal appointment.

The Trust Chair is responsible for assessing the performance of the Non-Executive Directors. The Chair's appraisal is undertaken by the Senior Independent Director using an inclusive process across members of the Board and Council of Governors, in accordance with a policy which has been developed to reflect best practice nationally. For Non-Executive Directors' remuneration, comparative data is provided to the Nominations Committee from comparative organisations. Remuneration rates for Non-Executive Directors have remained at the level set by the Nominations Committee in 2009/10, with fee levels benchmarked annually against the NHS Providers remuneration survey and other sources.

In May 2017 ten members of the Alder Hey Board were asked by NHS Improvement to form an interim Board at Liverpool Community Health NHS Trust, as part of a six month management contract for the continuation of community services in the city whilst a final process was agreed for their transition to another provider. The appointment process for the four Non-Executives was undertaken by NHS Improvement, in consultation with the Commissioner for Public Appointments, which included a pro-rata fee for service payment in

accordance with Non-Executive remuneration levels for NHS trusts. Six Executive Directors were appointed by the outgoing Liverpool Community Health NHS Trust Board's Remuneration Committee; these roles were not separately remunerated during this time over and above the salaries paid by Alder Hey. The Alder Hey Remuneration Committee subsequently awarded a small discretionary payment to five Executive Directors (excluding the Chief Executive) in recognition of the dual roles they performed in delivering the management contract.

During 2017/18 there were a total of 13 voting Board Directors in post across the period. Of these, eight individuals claimed £8,147 in expenses; for 2016/17 the figures were 14 directors claiming £10,498 in expenses. In the year there were 27 governors in office, seven of whom received £2,136 in expenses; whereas in 2016/17 seven governors claimed £3,310.36.

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

The remuneration of the median salary and multiple to the highest paid employee of the Trust for 2017/18 and the prior year comparative is provided below:

	2017/18	2016/17
Band of Highest Paid Director (Bands of £5,000)	£170-175	£155-160
Median Total Remuneration	£30,682	£30,547
Ratio	5.6	5.2

The range of staff remuneration was £994 to £258,670 (2016/17: £544 to £338,653).

There are two senior managers who during the year were paid more than £150,000 (this figure being the threshold used in the Civil Service for approval by the Chief Secretary to the Treasury as per Cabinet Office guidance and considered by NHS Improvement as an appropriate benchmark for NHS foundation trusts). One of these was the Chief Executive, the other is the Trust's Development Director. The Trust is satisfied that for both roles the level of remuneration is reasonable for



the responsibilities carried and benchmarks favourably with comparable organisations.

The Trust's remuneration policy applies to Executive Directors and associate Directors, i.e. non-voting Executives and is based upon open, transparent and proportionate pay decisions. All pay decisions are based on market intelligence and are designed to be capable of responding flexibly to recruitment imperatives to secure high calibre people. When setting levels of remuneration, the Trust's Nominations and Remuneration Committees also take into account the remuneration policies and practices applicable to our other employees, along with any guidance received from the sector regulator and the Department of Health. The Committee also receives professional independent reports based on objective evidence of pay benchmarking across a range of industry comparators. The conclusion reached in professional independent reports is that 'weightings accredited to the various posts in relation to market comparisons had resulted in remuneration that is in line with current pay practice.' The way in which the Committee operates is subject to audit scrutiny. The work of the Committees is subject to an independent level of scrutiny by the Audit Committee and this scrutiny can be exercised at any time.

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

Signed:

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive
22nd May 2018

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

Total Remuneration

Name	Title	2017/18				2016/2017				
		Salary (Bands of £5,000) £000s	Taxable Benefits £00s	Performance Pay & Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s	Salary (Bands of £5,000) £000s	Taxable Benefits £00s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s
Louise Shepherd	Chief Executive	170-175	0	0	137.5-140	310-315	155-160	25	150-152.5	310-315
John Grinnell	Director of Finance / Deputy Chief Executive	130-135	0	0-5	35-37.5	170-175	0	0	0	0
Claire Liddy	Acting Director of Finance	0-5	0	0	0-2.5	0-5	20-25	0	7.5-10	30-35
Hilda Gwilliams	Chief Nurse	120-125	0	0-5	112.5-115	235-240	75-80	0	110-112.5	185-190
Richard Turnock	Medical Director	0	0	0	0	0	85-90	0	0	85-90
Steve Ryan	Medical Director	115-120	0	0-5	0	115-120	0	0	0	0
Melissa Swindell	Director of Human Resources	100-105	0	0-5	55-57.5	160-165	90-95	0	75-77.5	165-170
Mags Barnaby	Interim Chief Operating Officer	30-35	0	0	2.5-5	30-35	0	0	0	0
Adam Bateman	Chief Operating Officer	10-15	0	0	5-7.5	20-25	0	0	0	0
Sir David Henshaw	Chair (R)	40-45	0	0	0	40-45	40-45	0	0	40-45
Claire Dove	Non-Executive Director (R)	10-15	0	0	0	10-15	10-15	0	0	10-15
Dame Jo Williams	Non-Executive Director (R)	10-15	0	0	0	10-15	5-10	0	0	5-10
Steve Igoe	Non-Executive Director (R)(A)	15-20	0	0	0	15-20	15-20	0	0	15-20
Ian Quinlan	Non-Executive Director (R)	10-15	0	0	0	10-15	10-15	0	0	10-15
Jean France-Hayhurst	Non-Executive Director (R)(A)	10-15	0	0	0	10-15	10-15	0	0	10-15
Anita Marsland	Non-Executive Director (R)(A)	10-15	0	0	0	10-15	10-15	0	0	10-15

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

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

The above table follows the guidance for 'Disclosure of Senior Managers' Remuneration (Greenbury) 2017 (NHS BSA). The Pension related benefits (bands of £2,500) are a notional figure to denote forecast Annual Pension payments (subject to a x20 multiplier) and lump sum. This is the aggregate input amounts, calculated using the method set out in section 229 of the Finance Act 2004. This figure will include those benefits accruing to senior managers from their membership of the 1995/2008 Scheme and 2015 Scheme. Any pension contributions made by the senior manager or any transferred in amounts are excluded from this figure. The amount to be included here is the annual increase (expressed in £2,500 bands) in pension entitlement.

For the purposes of this report 'Senior Manager' is defined as those directors holding voting rights during the year.

From 2017/18 the Trust considers it appropriate for the non-voting Board members detailed below to be disclosed as Senior Managers.

- Louise Dunn, Director of Communications & Marketing - left employment 31st May 2017. Per NSPA Greenbury calculations are not applicable due to length of service.
- Mark Flanagan, Director of Communications & Marketing - commenced employment 17th July 2017.
- Mags Barnaby was Interim Chief Operating Officer from 2nd May 2017 to December 2017, remuneration included above.
- Mags Barnaby, Interim Director of Strategy, from February 2018.
- Adam Bateman, Chief Operating Officer, from January 2018.
- Debbie Herring, Director of Strategy, left employment July 2017.
- Dani Jones, Director of Strategy, commenced employment October 2017.
- Christian Duncan, Divisional Director - Surgery. 6/11ths of the remuneration below relates to a clinical, non-managerial role.
- Adrian Hughes, Divisional Director - Medicine, commenced employment 26th June 2017. 2.25/11ths of the remuneration above relates to a clinical, non-managerial role.
- Catherine McLaughlin, Divisional Director, Integrated Community Services & CAMHS does not have pensions-related benefits as she is not a member of the NHS pension scheme.



Name	Title	2017/18				
		Salary	Taxable Benefits	Performance Pay &	Pension Related Benefits	Total
		(Bands of £5,000)	(Nearest £100)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
		£000s	£00s	£000s	£000s	£000s
Christian Duncan	Divisional Director, Surgery	125-130	0	0	25-27.5	150-155
Adrian Hughes	Divisional Director, Medicine	120-125	0	0	12.5-15	135-140
Catherine McLaughlin	Divisional Director, Integrated Community Services & CAMHS	80-85	0	0	0	80-85
David Powell	Development Director	150-155	30	0	20-22.5	175-180
Erica Saunders	Director of Corporate Affairs	95-100	0	0-5	92.5-95	190-195
Louise Dunn	Director of Communications & Marketing	15-20	0	0	0	15-20
Mark Flannagan	Director of Communications & Marketing	70-75	0	0	7.5-10	75-80
Mags Barnaby	Interim Director of Strategy	10-15	0	0	0-2.5	10-15
Debbie Herring	Director of Strategy	30-35	0	0	0-2.5	35-40
Dani Jones	Director of Strategy	10-15	0	0	17.5-20	30-35



SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS (CONT'D)

Pension Entitlements

Name and Title	Real Increase in Pension at Age 60 (Bands of £2,500) £000s	Real Increase in Lump Sum at Aged 60 (Bands of £2,500) £000s	Total Accrued Pension at Age 60 at 31 March 2018 (Bands of £5,000) £000s	Lump Sum at Age 60 Related to Pension at 31 March 2018 (Bands of £5,000) £000s	Cash Equivalent Transfer Value at 1 April 2017 £000s	Real Increase in Cash Equivalent Transfer Value £000s	Cash Equivalent Transfer Value at 31 March 2018 £000s	Employer's Contribution to Stakeholder Pension £000s
Louise Shepherd Chief Executive	7.5-10	12.5-15	65-70	190-195	1,140	158	1,310	0
John Grinnell Director of Finance	2.5-5	0-2.5	30-35	75-80	400	55	461	0
Claire Liddy Acting Director of Finance	0-2.5	0-2.5	20-25	50-55	200	2	271	0
Hilda Gwilliams Director of Nursing	5-7.5	15-17.5	35-40	110-115	652	157	815	0
Melissa Swindell Director of Human Resources	2.5-5	2.5-5	20-25	45-50	241	56	299	0
David Powell Development Director	0-2.5	5-7.5	65-70	195-200	1,365	78	1,457	0
Erica Saunders Director of Corporate Affairs	2.5-5	7.5-10	30-35	85-90	502	90	597	0
Mark Flannagan Director of Communications & Marketing	0-2.5	0-2.5	0-5	0-5	0	16	16	0
Mags Barnaby Interim Director of Strategy	0-2.5	0-0	20-25	65-70	533	27	565	0
Adam Bateman Chief Operating Officer	0-2.5	0-2.5	10-15	30-35	139	3	154	0
Debbie Herring Director of Strategy	0-2.5	0.00	35-40	95-100	628	13	674	0

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS (CONT'D)

Pension Entitlements

Name and Title	Real Increase in Pension at Age 60 (Bands of £2,500)	Real Increase in Lump Sum at Aged 60 (Bands of £2,500)	Total Accrued Pension at Age 60 at 31 March 2018 (Bands of £5,000)	Lump Sum at Age 60 Related to Pension at 31 March 2018 (Bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2017	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018	Employer's Contribution to Stakeholder Pension
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Dani Jones Director of Strategy	0-2.5	0-2.5	15-20	30-35	157	9	178	0
Christian Duncan Divisional Director, Surgery	0-2.5	0-2.5	30-35	80-85	522	36	563	0
Adrian Hughes Divisional Director, Medicine	0-2.5	2.5-5	60-65	190-195	1,289	55	1,374	0

- As Non-Executive Directors do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive Directors.
- John Grinnell, Director of Finance - commenced employment 10th April 2017
- Claire Liddy, Acting Director of Finance - acting role until 9th April 2017
- Richard Turnock, former Medical Director left the Trust 31st March 2017
- Steve Ryan, Medical Director - commenced employment April 2017. None of the remuneration relates to a non-managerial role. His pension is currently in payment
- Louise Dunn, Director of Communications & Marketing - left employment 31st May 2017. Greenbury calculations are not applicable due to length of service
- Mark Flannagan, Director of Communications & Marketing - commenced employment 17th July 2017
- Mags Barnaby was Interim Chief Operating Officer from 2nd May 2017 to December 2017, included above Mags Barnaby, Interim Director of Strategy, from February 2018
- Adam Bateman, Chief Operating Officer, from January 2018
- Debbie Herring, Director of Strategy, left employment July 2017
- Dani Jones, Director of Strategy, commenced employment October 2017
- Catherine McLaughlin, Divisional Director, Integrated Community Services & CAMHS does not have Greenbury figures as she is not a member of the NHS pension scheme
- Christian Duncan, Divisional Director - Surgery. Total pension information is shown. 6/11ths of the remuneration above relates to a clinical, non-managerial role
- Adrian Hughes, Divisional Director - Medicine, commenced employment 26th June 2017. Total pension information is shown. 2.25/11ths of the remuneration above relates to a clinical, non-managerial role

STAFF REPORT

Analysis of Trust staff by type and cost during the year is set out in the table below, together with a comparison with 2016/17:

	Total 2017/18 No.	Permanent 2017/18 No.	Other 2017/18 No.	Total 2016/17 No.	Permanent 2016/17 No.	Other 2016/17 No.
Medical and Dental	403	398	5	391	390	1
Ambulance Staff	0			0		
Administration and Estates	660	627	32	648	588	60
Healthcare Assistants and Other Support Staff	241	212	28	224	208	16
Nursing, Midwifery and Health Visiting Staff	1,238	1,155	83	1,174	1,105	69
Nursing, Midwifery and Health Visiting Learners	0			0		
Scientific, Therapeutic and Technical Staff	641	633	8	540	533	7
Healthcare Science Staff	0			0		
Social Care Staff	0			0		
Agency and Contract Staff	0			0		
Bank Staff	0			0		
Other	0			0		
Total Average Numbers	3,183	3,026	157	2,977	2,824	153
Of Which						
Number of Employees (WTE) Engaged on Capital Projects	38	37	1	35	35	

STAFF COSTS

	Permanent £0	Other £0	2017/18 Total £0	2016/17 Total £0
Salaries and Wages	109,609	13,193	122,802	111,917
Social Security Costs	10,433	-	10,433	9,614
Employer's Contributions to NHS Pensions	13,482	-	13,482	12,339
Apprenticeship Levy	531	-	531	-
Other Post-Employment Benefits	-	-	-	-
Other Employment Benefits	-	-	-	-
Termination Benefits	-	-	-	-
Temporary Staff	-	5,312	5,312	6,449
Total Gross Staff Costs	134,055	18,505	152,560	140,319
Recoveries in Respect of Seconded Staff	-1,366	-	-1,366	-1,386
Total Staff Costs	132,689	18,505	151,194	138,933
Of Which				
Costs Capitalised as Part of Assets	2,380	-	2,380	1,940

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

	Male	Female
Directors	5	9
Senior Managers	5	6
Employees	540	2819

SICKNESS ABSENCE DATA

The Trust closely monitors its performance against sickness absence targets and the position as at the end of March 2018 was 5.21%.

STAFF POLICIES AND ACTIONS

During 2017/18, the Trust supported the implementation and ongoing development of two new staff networks; the Black and Minority Ethnic (BME) Network and the Disability Network. Membership of both networks comes from a wide range of staff from across the organisation. Members have shared their personal experiences and are helping the Trust learn more about positively supporting diversity in the workplace and improving access to opportunities for employment. The groups have set their agendas and focus for the coming year, which includes responding to the feedback from the staff survey and working with the recruitment team to support improved training for managers in best practice recruitment processes.



The Trust remains a Disability Symbol Employer. By using the symbol we are making it clear to disabled people that we welcome applications from them and that we are positive about their abilities. It also shows existing employees that we value their contribution and will treat them fairly if they become disabled. We provide employees with ongoing access to Occupational Health support and advice, access to work support and health and safety advice, including bespoke risk assessments.

A range of internal communications methods are deployed to ensure matters of concern are shared with staff on a regular basis. The opportunity for staff to feedback to the Trust is also an integral part of the internal communications process.

This also includes a variety of channels through which staff can raise concerns directly at Board level. In addition to 'Raise It, Change It' which has been in place since 2014, the Freedom to Speak Up movement has gathered pace in the year with eight advocates now

in place at local level to support and encourage staff to bring issues forward. The Board has been kept informed of progress during the year.

Through Listening into Action, launched in 2016 and now a central pillar in our approach to involving staff in quality improvement, all staff are encouraged to get involved and lead change within their working environment.

Trust management meets with Trade Union colleagues at the Joint Consultation and Negotiation Committee (JCNC) on a monthly basis, where a range of business matters are discussed and shared with staff representatives, ensuring the views of employees can be taken into account in making decisions which are likely to affect their interests.

COMMUNICATION

Effective communications activity allows the Trust to reach many different audiences with compelling messages and can help unite staff around a shared pride in our work. Highlighting the work that we do is part of our duty of transparency and accountability.

In the last year we were delighted to again host a live broadcast by BBC Children's television, CBeebies and CBBC, at Christmas. This was the second year that we have hosted these programmes and having the broadcast at Alder Hey brought a great deal of joy to our patients and families. We were also honoured to host visits from a wide range of supporters and VIPs including both Merseyside-based Premier League football teams who have been valued partners to the organisation over a number of years. Such visits are a key part of our willingness to connect with the local community and develop relationships that help our patients with their hospital experience and recovery.

Our Internal Communications activity is a vital means of both informing and listening to all our staff. It is vital that all staff have the opportunity to hear about our decision-making and are able to hear this directly from our senior leaders. That is why we refocused the organisation's Team Brief to create 'Latest from Louise' events that are tied directly to feedback from the Trust Board meetings and that encourage staff to ask questions of the Chief Executive directly. In addition, the Chief Executive writes a regular blog to staff to highlight different aspects of the work we do and celebrate our successes. Further improvements will continue to be made in our direct communication to staff in the coming year.

Our communications effort has also been focused upon the production of information that helps staff understand and recognise their own role in delivering the Trust's plan. This includes taking a consistent

approach to internal materials and signage to keep our goals uppermost in everybody's mind. In addition, there has been a continued focus on the Trust's Values with these being present in many different forms across the organisation. To reinforce our quality improvement approach and help staff identify how they can individually contribute to this, a staff handbook has been produced based upon the Care Quality Commission's fundamental standards and domains in a simple summary format.

COUNTER FRAUD

The Local Counter Fraud Specialist, supported by the Trust, has continued to enhance the overall anti-fraud arrangements at Alder Hey through the conduct of a range of agreed activities specified in the Trust's Anti-Fraud work plan for 2017/18. The key to the success of these activities is the achievement of outcomes across the defined areas of anti-fraud work.

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

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

A self-assessment against compliance with the Standards for Providers issued by NHS Counter Fraud Authority for 2017/18 was undertaken. The Trust has rated itself overall as green. The Counter Fraud service provided regular updates to the Audit Committee on work undertaken to prevent and detect fraud including any investigations.

HEALTH AND SAFETY PERFORMANCE AND OCCUPATIONAL HEALTH

The Health and Safety Team continues to work closely with Project Co to ensure the Trust is a safe environment for all of our patients and staff. There is an ongoing programme of training scheduled for 2018/19, which will cover risk assessment, COSHH and stress risk assessment training. In addition, the team continues to support the numerous new building

development projects on-site, including Phase II of the Institute in the Park building and the Alder Centre re-development.

We continue to work successfully in partnership with our Occupational Health provider, Team Prevent, to offer a range of supportive interventions for staff. We are seeing ongoing benefits from the introduction of the early intervention service which provides rapid treatment for staff encountering stress and musculo-skeletal conditions. The pilot in 2017 of a dedicated health trainer who has focused on supporting mental wellbeing and training for managers has been a great success and this is now a permanent feature of our wellbeing offer to staff.

EXPENDITURE ON CONSULTANCY

Expenditure on consultancy during 2017/18 was for specialist advice and operational delivery on an interim basis to ensure high quality services for children and families.

OFF PAYROLL ENGAGEMENTS

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

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

Table 1: Off Payroll engagements as at 31st March 2018, for more than £245 per day and that last longer than six months

Number of Existing Engagements as at 31 March 2018	10
Of Which:	
Number That Have Existed for Less Than One Year at Time of Reporting	3
Number That Have Existed for Between One and Two Years at Time of Reporting	3
Number That Have Existed for Between Two and Three Years at Time of Reporting	0
Number That Have existed for Between Three and Four Years at Time of Reporting	1
Number That Have Existed for Four or More Years at Time of Reporting	3

Table 2: For all new off-payroll engagements, or those that reached 6 months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months

Number of New Engagements, or Those That Reached Six Months in Duration Between 1st April 2017 and 31 March 2018 3

Of Which:

Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	3
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	3
Number of engagements that saw a change to IR35 status following the consistency review	0



Table 3: For any off-payroll engagements of board members, and/or, senior officials, with significant financial responsibility, between 1 April 2017 and 31 March 2018

Number of Off-Payroll Engagements of Board Members and/or Senior Officials With Significant Financial Responsibility During the Financial Year	0
Number of Individuals That Have Been Deemed 'Board Members and/or Senior Officials with Significant Financial Responsibility' During the Financial Year	30

EXIT PACKAGES 2017/18

Exit Package Cost Band (Including Any Special Payment Element)	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
	Number	Number	Number
<£10,000	-	13	13
£10,001 - £25,000	1	1	2
£25,001 - 50,000	2	3	5
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total Number of Exit Packages by Type	3	17	20
Total Resource Cost (£)	£102,000	£197,000	£299,000

EXIT PACKAGES 2016/17

Exit Package Cost Band (Including Any Special Payment Element)	Number of Compulsory Redundancies Number	Number of Other Departures Agreed Number	Total Number of Exit Packages Number
<£10,000	-	-	-
£10,001 - £25,000	-	5	5
£25,001 - 50,000	-	1	1
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total Number of Exit Packages by Type		6	6
Total Resource Cost (£)		£125,000	£125,000

Exit Packages: Other (Non-Compulsory) Departure Payments

	2017/18		2016/17	
	Payments Agreed Number	Total Value of Agreements £000	Payments Agreed Number	Total Value of Agreements £000
Voluntary Redundancies Including Early Retirement Contractual Costs	-	-	-	-
Mutually Agreed Resignations (MARS) Contractual Costs	6	160	4	89
Early Retirements in the Efficiency of the Service Contractual Costs	-	-	-	-
Contractual Payments in Lieu of Notice	11	37	2	36
Exit Payments Following Employment Tribunals or Court Orders	-	-	-	-
Non-Contractual Payments Requiring HMT Approval	-	-	-	-
Total	17	197	6	125

STAFF SURVEY

Staff Engagement

Supporting 'The Best People Doing their Best Work' is one of the four key pillars of the Trust's strategy and as part of this, continuously improving staff engagement and staff satisfaction remains a key priority for the Board.

In 2017, every team held a staff survey discussion using their local survey results to agree a set of actions that they would own and take forward in their own area of work. This proved to be a highly successful and powerful way to ensure that the survey was seen by every member of staff and that actions were taken locally to address the issues that really matter to staff.

In addition to the Staff Survey, we administered a quarterly 'Temperature Check' to measure staff engagement which included the 'Staff Friends and Family' questions.

Sharing feedback with staff remains our priority and we have an ongoing feedback campaign to ensure staff are kept informed about progress against key actions.

We have continued with our Listening into Action (LiA) journey during 2017, a key enabler for improving both patient experience and staff engagement. LiA continues to be welcomed by staff as a way to help them resolve issues and take ownership of making changes in their local areas. Through LiA, a staff-led Reward and Recognition group has been established, which has been instrumental in setting up a range of programmes in support of recognising and thanking staff for their contribution.

Summary of Performance - Results from the NHS Staff Survey

Alder Hey's 2017 Staff Survey shows significant improvements from the previous year's results. In their detailed analysis of the 2017 Staff Survey, the Association of UK University Hospitals (AUKUH) has identified Alder Hey as the most improved Trust in the country in terms of our ranking on the total number of key findings on which we achieved statistically significant improvements, and our ranking on the net number of significant improvements across the survey.

A summary of performance can be seen in Table 1, where comparisons can be made with both the trust and national average scores for acute specialist trusts received in 2016 and 2017.

The Trust's response rate was 54%, above the overall national response rate for all organisations in England of 44%, and significantly higher than in 2016.

Areas of Improvement

The Trust has seen improvements in 18 of the 32 Key Findings, with specific improvements in:

- staff recommending Alder Hey as a place for treatment or work
- staff motivation at work
- staff ability to contribute towards improvements at work
- staff feeling valued and recognised by managers and the Trust
- support from immediate managers
- effective team working
- staff satisfaction with levels of responsibility and involvement
- staff satisfaction with resourcing and support
- an increase in both the numbers and quality of appraisals
- organisational interest in health and wellbeing
- staff confidence in reporting unsafe practice
- fairness and effectiveness of procedures for reporting errors, near misses and incidents
- effective use of patient/service user feedback
- the overall engagement score.

Top Ranking Scores and Progress Since 2016

The top ranking scores in 2017 reflect how the Trust has supported staff with improved work-life balance, bullying and harassment and dealing with discrimination.

The positive actions taken by the Trust regarding discrimination and bullying and harassment can be demonstrated by the responses for KF20, KF23, KF26 and KF27 which have been identified as four of our top ranking scores. Linked to this, there have been improvements to the responses to all four questions linked to the Workforce Race Equality Standard (WRES).

Bottom Ranking Scores and Action Planning

The Trust has been ranked below average, when compared to similar trusts on all five of its bottom ranking scores (see Table 1). Two of the Key Findings are new for 2017, KF7 and KF17, % of staff able to contribute towards improvements at work and % of staff experiencing work related stress in the last 12 months. Despite these scores being ranked below average when compared to similar trusts, four of the five bottom ranked scores show an improvement from the previous year's scores.

As in 2016, we surveyed all staff in 2017, so we have been able to break down the results by department. Each department has been provided with their own survey data and are all undertaking a local 'LiA style' conversation with teams in order for them to identify their top areas for local improvement.

In addition, Trust wide actions have been agreed and supported by the senior leadership team, aiming to address key areas identified as requiring improvement such as:

- Supporting leadership and management development, with a focus on our clinical leaders
- Increase focus on health and wellbeing, including specific focus on reducing sickness absence and stress awareness and management
- Quality and uptake of training opportunities
- Quality of appraisals

These actions and associated activity will be monitored via the Trust Workforce and Organisational Development Committee of the Board.

Future Priorities and Targets

In addition, we remain committed to:

- Continuing to engage the whole workforce in the Staff Survey to further increase the Staff Survey response rate and responses for 2018
- Ensuring continued engagement with staff side representatives
- Encouraging local ownership for survey outcomes, especially at department level
- Reviewing the local 'Temperature Check' mechanism, and monitor progress and trends Trust wide and locally.
- Monitoring performance regularly at the Board, Workforce and Organisational Development Committee and Divisional Performance meetings.

Table 1 - Summary of Performance - Results from the NHS Staff Survey 2016 and 2017

Response Rate	2016 (Previous Year)		2017 (Current Year)	Trust Improvement/ Deterioration
	Trust	Trust	Benchmarking Group (Trust Type) Average	
Response rate	43%	54%	45%	11% Increase

Top 5 Ranking Scores	2016		2017	Trust Improvement/ Deterioration
	Trust	Trust	Benchmarking Group (Trust Type) Average	
KF20. % of Staff Experiencing Discrimination at Work in the Last 12 Months	7%	7%	9%	No Change
KF23. % of Staff Experiencing Physical Violence from Staff in Last 12 Months	1%	1%	1%	No Change
KF26. % of Staff Experiencing Harassment, Bullying or Abuse from Staff in Last 12 Months	24%	21%	23%	Decrease (Positive)
K15. % of Staff Satisfied with the Opportunities for Flexible Working Patterns	52%	58%	54%	Increase (Positive)
KF27. % of Staff/Colleagues Reporting Most Recent Experience of Harassment, Bullying or Abuse	41%	50%	47%	Increase (Positive)

Bottom 5 Ranking Scores	2016		2017	Trust Improvement/ Deterioration
	Trust	Trust	Benchmarking Group (Trust Type) Average	
KF32. Effective use of patient/ service user feedback	3.46	3.59	3.83	Increase (Positive)
KF19. Organisation and management interest in and action on health and wellbeing	3.39	3.57	3.73	Increase (Positive)
KF7. % of staff able to contribute towards improvements at work	64%	68%	73%	Increase (Positive)
KF17. % of staff feeling unwell due to work related stress in the last 12 months	39	39%	35%	No Change
KF3. % of staff agreeing their role makes a difference to patients/ service users	87%	89%	91%	Increase (Positive)

In my capacity as Accounting Officer, I confirm that the foregoing Accountability Report is a fair and balanced representation of the Trust in 2017/18.

Louise Shepherd

LOUISE SHEPHERD CBE

Chief Executive

22nd May 2018



NHS FOUNDATION TRUST CODE OF GOVERNANCE

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

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

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

OUR COUNCIL OF GOVERNORS

2017/18 again saw a number of changes on the Council of Governors following the annual elections. A comprehensive Induction programme continues to be delivered to enable incoming governors to understand their new role as rapidly as possible. This training is also offered to existing Governors annually as a means of refreshing their skills. A number of Alder Hey governors also took advantage of the ongoing GovernWell development programme offered by NHS Providers, which is an invaluable resource.

The Council has continued to work alongside the Board to understand and contribute to the Trust's plans for the future. The governors' extranet provides a rapid and accessible mechanism for the Board to share information with them ensuring that they are kept up to date between formal meetings. It also equips the governors with the information they require to give feedback about the Trust's activities to members and other stakeholders, including the host organisations of appointed governors. The governors use a variety of mechanisms to canvass the view of members and the wider community; some of these are informal and carried out through individuals' networks and others more formal such as inviting comments via the newsletter and direct engagement at the Annual Members' meeting. Such views are fed back to the Board throughout the year at regular formal meetings,

providing an opportunity for governors to discuss key strategies with Board members.

The Council met formally five times during the year; one of the meetings was held to seek approval to amend the Trust's Constitution to ensure that appropriate governance was in place to support the Alder Hey Board's role at Liverpool Community Health NHS Trust.

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

The 2017 Annual Members' Meeting was held in November at the Institute in the Park, with keynote speaker Dr. Steve Ryan, Medical Director. The title of his inspiring talk was 'The Medical Director's Tale - Reflections on a long and eventful NHS Career' which was followed by presentation of the Trust's Annual Accounts 2016/17 and the report of the Council of Governors delivered by Lead Governor, Kate Jackson.

The Council re-appointed three of the existing Non-Executives during 2017/18, one for a second term of three years and two reappointments of twelve months; this was to ensure stability and continuity on the Board. The Council also re-approved the appointment of the Chairman for a final twelve month period.

The governors have also continued to input into a fully inclusive process for the Chair's appraisal and agreement of annual objectives, led by the Senior Independent Director. In addition to its statutory role, the Council contributes to the life of the hospital in a variety of ways, for example as members of the judging panel for the annual staff awards, participating in the PLACE inspection of the hospital environment and attending various assurance committee meetings.

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

In addition to the full Council meetings, governors have been involved in the Membership Strategy Committee, whose activities are summarised overleaf, as well as time-limited working groups focused on specific issues.



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

- Acting as Editorial Board for the members' newsletter supported by members of the Communications and Marketing team
- Exploring Social Media platforms for membership purposes
- Patient experience, through developing links with members of the Children and Young Peoples' Forum
- Planning and organisation of the Annual Members' meeting
- Young advisors project
- 'Critical friend' role in reviewing and commenting on the Quality Report

Governors are contactable through the Trust's Committee Administrator based at Alder Hey on **0151 252 5128** or by email at membership@alderhey.nhs.uk.

Composition of the Council of Governors

The Council of Governors is made up of 25 elected governors and 10 appointed governors from nominated organisations and comprises six staff governors (elected by staff), nine public governors, four patient governors, six parent and carer governors (elected by members). The Council represents, as far as possible, every staff group and the communities that Alder Hey serves across England and North Wales. Elected Governors are chosen as part of an independent process managed on behalf of the Trust by the Electoral Reform Service, in accordance with the Constitution. Elections to the Council of Governors take place annually, in the summer. On election or appointment all governors are required to sign the Council's Code of Conduct and to complete their declaration of interests in accordance with the Trust's policy.

The Council of Governors operates under the leadership of the Trust Chair and its endeavours are supported by the Lead Governor, Kate Jackson who was re-elected to this role in December 2017 for a further three years (unopposed). The roles and responsibilities of governors are set out in the Trust's Constitution and Council of Governors' Standing Orders.

Governor	Constituency	Class	Term of Office	Council Meetings Eligible to Attend in 2017/18	Total Number of Attendances at Council Meetings
Barbara Murray**	Appointed	Liverpool City Council	n/a	5	0
Sarah O'Brien	Appointed	University of Liverpool	n/a	5	0
Janice Monaghan	Appointed	The Back Up Trust	n/a	5	0
Julie Williams	Appointed	Edge Hill University	n/a	5	2
Colette O'Brien	Appointed	Liverpool City Council	n/a	3	2
Steve Reddy	Appointed	Liverpool City Council	n/a	2	0
Dawn Holdman	Patient	Parent & Carer	17.09.15 - 16.09.18	5	3
Georgina Tang	Patient	Parent & Carer	26.09.16 - 31.08.19	5	4
Dot Brannigan	Patient	Parent & Carer	26.09.16 - 31.08.19	5	4
Pippa Hunter-Jones	Patient	Parent & Carer	04.08.17 - 31.08.20	5	4
Alice Matthews	Patient	Merseyside	26.09.16 - 31.08.19	5	1
Niamh McCann	Patient	Merseyside	26.09.16 - 31.08.19	3	0
Lydia Brady	Patient	Merseyside	01.09.15 - 31.08.18	5	0
Oliva Cole	Patient	Rest of England & North Wales	17.09.15 - 16.09.18	5	0
Rabia Aftab	Patient	Rest of England & North Wales	26.09.16 - 31.08.19	5	2
Naomi Grennell	Public	Cheshire	03.08.17 - 31.08.19	5	0
Paul Denny	Public	Merseyside	31.08.17 - 31.08.20	5	5
Cath Gorst	Public	Merseyside	17.09.15 - 31.08.18	5	2
Hilary Peel	Public	Merseyside	26.09.16 - 31.08.19	5	5
Mark Peers	Public	Merseyside	26.09.16 - 31.08.19	5	4
Kate Jackson**	Public	Greater Manchester	04.08.17 - 31.08.20	5	2
Matthew Jones	Staff	Doctors and Dentists	25.09.15 - 4.09.18	5	3
Tony Hanmer	Staff	Other Staff	26.09.16 - 31.08.19	5	1
Jeanette Chamberlain**	Staff	Other Staff	01.09.14 - 31.08.17	2	0
Adrian Williams	Staff	Nurses	26.09.16 - 1.08.19	5	0
Elizabeth Grady	Staff	Nurses	01.06.14 - 31.05.17	3	2
Simon Hooker	Public	N. Wales	17.09.15 - 16.09.18	5	4
Glenna Smith**	Staff	Other & Trust Volunteers	17.09.15 - 16.09.18	3	2
Paul Walsh	Staff	Other Clinical	04.08.17 - 31.08.20	3	1
Paula Davies	Staff	Nurses	04.08.17 - 31.08.20	2	0

** Members of the Nominations Committee.

Attendance at Council of Governors by Board Members	Number of Meetings Held in 2017/18
	4
Sir David Henshaw	4
Ian Quinlan	0
Steve Igoe	3
Anita Marsland	2
Claire Dove	3
Jeannie France-Hayhurst	0
Jo Williams	4
Louise Shepherd	3
Margaret Barnaby	4
John Grinnell	4
Melissa Swindell	4
Steve Ryan	3
Hilda Gwilliams	0
Erica Saunders	4
David Powell	4
Mark Flanagan	1/3

Declaration of Interests

A copy of the Council's Register of Interests is available on request from Erica Saunders, Director of Corporate Affairs via the Executive Office on **0151 282 4672** or by email at membership@alderhey.nhs.uk.

OUR MEMBERSHIP

It is important to us that membership is relevant to all sections of the communities we serve and we continue to make every effort to reach all groups within our membership constituencies. We seek to ensure that our membership reflects the social and cultural mix of our catchment population. We also need to ensure that our Council of Governors reflects our membership and we aim to address this challenge by encouraging a large, genuine membership from all areas served by the Trust.

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

Membership Strategy

The Trust's Membership Strategy remained in place during the year and its implementation is owned and led by a committee of the Council of Governors called the Membership Strategy Committee. During 2017/18 the Committee was chaired by one of our public governors, Kate Jackson who is also Lead Governor. The terms of reference of the Committee were approved by the Council of Governors to undertake the following:

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

The Membership Strategy Committee is supported by the Trust's Communications Team and works to an agreed set of objectives created to reflect the overall aims of the Membership Strategy. The objectives for 2017/18 were a consolidation of work commenced in the previous year, given the ongoing nature of the governors' role around communication.

- **Newsletter** - to continue on a quarterly basis.
- **Membership Recruitment** - the Committee agreed to undertake a focused recruitment drive to seek new members in the 7 to 16 age group; this was done with the help of Trust Volunteers.
- **Training** - as many Governors as possible to attend GovernWell events to support efforts in respect of member engagement; a number of governors also attended on site social media training.
- **Annual Members' meetings** - the Committee also acts as a steering group for the planning and organisation of the Annual Members' meeting, the theme of which for 2017 was the 'Medical Director's Tale', as well as the delivery of the statutory elements. In the coming years, consideration will be given to reinstating Trust Open Days within the new facilities.

Throughout our membership activities, the Trust endeavours to ensure that all the communities that it serves are provided every opportunity to become an engaged member. It is our intention to continue to maintain our membership population at around 13,500 overall but with a focus on recruitment of more children and young people as members in the coming year. This strategy will be carried out in line with the Trust's Quality Strategy and with all legislation pertaining to equality and diversity issues.

A number of mechanisms will be used for membership engagement including:

- Regular newsletters
- E-mail bulletins
- Greater social media presence and as a method to elicit feedback
- Annual Members' Meeting
- External consultations, e.g. Springfield Park
- Trust consultations
- Participation in elections to the Council of Governors.

Membership Profile

Constituency	Number of Members 2017/18 (Actual as at 31st March 2018)	Number of Members 2018/19 (Planned)
Public	3,696	3,818
Patients & Parent Carer	5,375	6,814
Staff	3,023	3,101
Total	13,309	13,733

OUR BOARD OF DIRECTORS

The Trust's Constitution provides for a Board of Directors which is comprised of no more than seven Executive and no more than eight Non-Executive Directors including the Chairman. All Director roles have been occupied during 2017/18 in accordance with the policy developed by the Trust in support of the Constitution. The Trust considers that it operates a balanced, complete and unified Board with particular emphasis on achieving the optimum balance of appropriate skills and experience; this is reviewed whenever any vacancy arises and was rigorously tested in the year as part of the process to appoint Executive Directors and re-appoint Non-Executive Directors.

Following the introduction in November 2014 by the CQC of the Fit and Proper Persons test, the Board amended the documentation and processes associated with directors' appointments, which have been built into a revised Recruitment Policy to incorporate all relevant checks both prior to appointment and on an annual basis for all incumbent directors, this includes an additional proactive declaration in relation to the requirement.

The Board of Directors operates to clear terms of reference and an annual work plan which reflect the Trust's constitution and Provider Licence and which are in turn supported by detailed Standing Financial Instructions and Standing Orders, a scheme of delegation and a Schedule of Matters Reserved for the Board, which are set out in the Trust's Corporate Governance Manual and Constitution.

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

The Board meets on the first Tuesday of each month, with the exception of August. Board meetings are fully and accurately minuted, including challenges and concerns of individual directors as appropriate. The Chairman meets separately with the Non-Executive Directors directly before each meeting. All Board meetings are held in public; dates, times and agendas are published on the Trust's website prior to meetings and the papers posted shortly after. The Board's agenda is structured around the Trust's strategic priorities set out in the overarching plan. Each meeting begins with a patient story which is designed to ensure that patients remain at the centre of all discussions and decisions. At each meeting the Board receives a corporate performance report which describes in detail how the organisation has performed against key local and national metrics, including a Quality Report which focuses on progress against the Trust's quality aims. Accompanying the performance information is the Board Assurance Framework which demonstrates to the Board how the principal risks to the organisation's business are being controlled and mitigated.

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

- Clinical Quality Assurance Committee
- Resources and Business Development Committee
- Audit Committee
- Research, Education & Innovation Committee
- Workforce and Organisational Development Committee
- Integrated Governance Committee
- Remuneration and Nominations Committee

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

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

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

- In writing, care of the Committee Administrator, Alder Hey Children's NHS Foundation Trust, Eaton Road, Liverpool, L12 2AP.
- By telephone on **0151 252 5128**
- By email at membership@alderhey.nhs.uk

Independence of Non-Executive Directors

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



Board Performance

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

During 2017/18 the Board commissioned an external well led review, the outcome of which is reported elsewhere in this document. This process illustrates the Board's willingness to reflect upon its performance and be held to account for its actions. It also reflects the culture of openness and shared learning that the Board has set for the Trust as a whole.

Attendance at Board of Directors and Key Board Committee Meetings

	Board of Directors	Audit Committee	Clinical Quality Assurance Committee	Resources and Business Development Committee	Workforce and OD	Integrated Governance Committee	Research, Education & Innovation Committee
Number of Meetings Held 2017/18	12	5	11	10	6	7	2
Sir David Henshaw	12	5	11	10	6	7	2
Louise Shepherd	10	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member	0
Ian Quinlan	12	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member	1
Steve Igoe	10	5	4	Not a Member	Not a Member	7	Not a Member
Claire Dove	10	Not a Member	Not a Member	8	5	Not a Member	Not a Member
Anita Marsland	9	4	11	Not a Member	Not a Member	Not a Member	Not a Member
Jo Williams	12	Not a Member	8	Deputised 1/1	Not a Member	Not a Member	Not a Member
Jeannie France-Hayhurst	11	1	11	Not a Member	3	Not a Member	Not a Member
John Grinnell	11/11	5 Attendee	8	8	Not a Member	6	Not a Member
Margaret Barnaby	5/5 Attendee	Not a Member	6/7	4/7	1/5	1/5	Not a Member
Adam Bateman	7/7 Attendee	Not a Member	3/3	3/3	1/1	1/2	Not a Member
Erica Saunders	12 Attendee	5 Attendee	9	Not a Member	Not a Member	7	2
Melissa Swindell	11	Not a Member	8	7	6	7	2
Steve Ryan	10	Not a Member	8	Not a Member	2	4	1
Hilda Gwilliams	10	Not a Member	7	Not a Member	2	0	0
Pauline Brown	Not a Member	Not a Member	Not a member	Not a member	Not a member	5 Deputised for Hilda Gwilliams	Not a Member
David Powell	8/11 Attendee	Not a Member	Not a Member	Not a Member	Not a Member	1	1

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

	Board of Directors	Audit Committee	Clinical Quality Assurance Committee	Resources and Business Development Committee	Workforce and OD	Integrated Governance Committee	Research, Education & Innovation Committee
Louise Dunn	2/4 Attendee	Not a Member	Not a Member	2/2 Attendee	Not a Member	Not a Member	0
Mark Flannagan	6/7 Attendee	Not a Member	Not a Member	4/7 Attendee	3/3	Not a Member	1

Due to her role as lead for the Cheshire and Merseyside Five Year Forward View, the Board agreed that Louise Shepherd would cease to be a formal member of the Trust's assurance committees for the period in order to accommodate this important national work. The Deputy Chief Executive represented Mrs Shepherd at these meetings.

AUDIT COMMITTEE REPORT

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

The aim of the Audit Committee is to provide one of the key means by which the Board of Directors ensures effective internal control arrangements are in place. In addition, the Committee provides a form of independent check upon the executive arm of the Board. As defined within the NHS Audit Committee Handbook (2014), the Committee has responsibilities for the review of governance, risk management and internal control covering both clinical and non-clinical areas. In discharging these duties the Committee is required to review:

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

- The adequacy of relevant policies, legality issues and Codes of Conduct.
- The policies and procedures related to fraud and corruption.

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

Internal Audit

The Internal Audit service is provided by Mersey Internal Audit Agency (MIAA), an independent NHS organisation. The Director of Audit Opinion and Annual Report for 2017/18 reports that MIAA have demonstrated their compliance with NHS mandatory Internal Audit Standards. Internal Audit provides an independent and objective appraisal service embracing two key areas:

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

External Audit

In April 2017 new regulations were issued by the National Audit Office in April 2017 meaning that NHS organisations can no longer retain the services of the same audit firm for both core financial audit services and tax advice. Given the specialist nature of the tax advice historically received from the tax team at KPMG (the Trust's external auditors at this time), this meant the core financial audit function was re-tendered.

KPMG concluded the audit of the 2016/17 Annual Report and Accounts in May 2017, a competitive tender process was then undertaken during the summer of 2017, following which a recommendation was made to the Council of Governors to award the contract to Ernst & Young. This recommendation was approved by the Council of Governors at its meeting in September 2017 for an initial three year period, with the option to extend for a further two one year extension periods.

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

- To audit the financial statements and provide an opinion thereon,
- To form an assessment of our use of resources.

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

The external audit fees for 2017/18 were: Ernst & Young £48,000 p.a. (fixed price for 5 years)

Note: The price in the outgoing KPMG contract was £53,100 p.a. (fixed for 5 years).

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

Five meetings were held during the financial year 2017/18 of which one, in May, was devoted to consideration of the auditors' report on the Annual Accounts and ISA 260. The Committee has an annual work plan with meetings timed to consider and act on specific issues within that plan.

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

- The monthly Board Assurance Framework report
- Internal Audit Reports in accordance with the approved 2017/18 work plan
- Counter Fraud reports by the MIAA specialist in accordance with the approved 2017/18 work plan.

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

- Annual Governance Statement
- Consideration of the 2017/18 Annual Accounts
- NHS Improvement quarterly returns
- External Assurance Report on the quality account
- External Audit report on the financial statements to 31st March 2017 and ISA 260
- Losses and special payments
- Counter Fraud reports by the MIAA specialist in accordance with the approved 2017/18 work plan
- Internal Audit work plan for 2017/18
- KPMG External Audit Year end report 2016/17
- External Audit Strategy and Accounting Issues relating to the Audit of the Trust's 2017/18 Accounts
- Accounting policies for the 2017/18 Financial Statements
- Audit Committee work plan 2017/18
- Review and approval of the terms of reference for the Audit Committee
- Annual Reports of the Trust's assurance committees, including Clinical Quality Assurance Committee
- Approval of the Treasury Management Policy
- Financial Statement audit risks for 2017/18.

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

The Audit Committee considered the financial statements audit risks including the areas where the Trust has applied judgement in the treatment of revenues and costs to ensure that the annual accounts represented a true reflection of the Trust's finances. The External Audit Plan 2017/18 highlighted two significant audit risks in relation to NHS income and receivables and the valuation of land and buildings. The risk around NHS income and receivables was added as a new risk due to an increased risk of misstatement from the estimation of income from Sustainability and Transformation funding (STF).

The Committee discussed the approach taken by the Trust in relation to income recognition. The Trust has robust processes in place which ensure that income is actively monitored and debtors are followed up on a timely basis. The Trust also acknowledges that there is no specific risk in relation to fraudulent income recognition.

The Committee discussed the approach taken by the Trust in relation to valuation of land and buildings. The Trust has robust processes in place to assess for impairments and appropriate valuation arrangements.

The Committee also discussed the significant transaction risk in relation to management override of controls and is satisfied that there are no issues arising from the work of internal audit that would suggest that this could lead to a material misstatement within the accounts.

The Audit Committee contributed to the risk assessment to inform and subsequently approve the content of the Internal Audit Plan for 2017/18. This plan was structured to provide the Director of Audit Opinion which gives an assessment of the:

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

The key conclusion from their work for 2017/18 as provided in the Director of Audit Opinion and Annual Report was that 'Substantial Assurance', can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

NOMINATIONS COMMITTEES

The Trust has established a separate Nominations Committees to oversee the appointment of Executive and Non-Executive Directors.

- **The Nominations Committee of the Council of Governors** is responsible for the appointment and removal of Non-Executive Directors. It is chaired by the Trust Chair apart from when it is concerned with the appointment or re-appointment of the Trust Chair. Other members of the Committee are Barbara Murray, Kate Jackson, Glenna Smith and Louise Shepherd.

During 2017/18 the Committee considered:

- The request for re-appointment of Non-Executive Director Anita Marsland for a second three year term.
- A further twelve month extension for Non-Executive Director Steve Igoe.
- A further twelve month extension for Non-Executive Director Ian Quinlan.
- A further twelve month extension for the Trust Chairman Sir David Henshaw.

These extensions were based on the need for continuity and stability on the Board coupled with strong track record of performance.

- **The Appointments and Remuneration Committee of the Board of Directors** is responsible for the appointment of Executive Directors. It is chaired by the Trust Chair; other members are a minimum of three other Non-Executives and the Chief Executive, as appropriate to the post under consideration. During 2017/18 the Committee substantively appointed Mark Flanagan as the Trust's Director of Communications, Dani Jones as Director of Strategy and Adam Bateman as Chief Operating Officer.

REGULATORY RATINGS

NHS IMPROVEMENT'S SINGLE OVERSIGHT FRAMEWORK

NHS Improvement's Single Oversight Framework provides the framework for maintaining providers' performance and identifying potential support needs.

The framework looks at five themes:

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

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

Segmentation

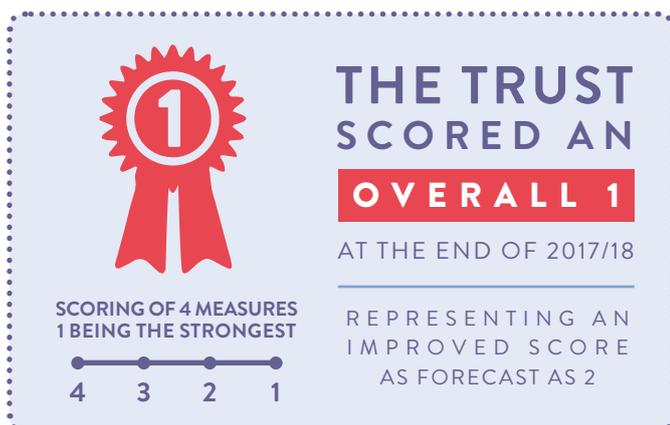
Alder Hey has been placed in segment 2, which is defined as 'providers offered targeted support'.

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

Finance and Use of Resources

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

The Trust scored an overall 1 at the end of 2017/18 which represents an improved score compared to the plan submitted to NHS Improvement, which was forecast as 2.



VOLUNTARY DISCLOSURES

EQUALITY REPORT

Alder Hey continues with its commitment to try to ensure that its services offer equal access for all communities who need to use them and that all employees experience equal opportunity in employment. This means that we actively seek to engage with patients, parents and carers, as well as members of staff, to ensure that we do not discriminate against any individual and that the diversity of each individual is valued. The principles of equality and diversity are core elements of the Trust's Values, which are reinforced through the Trust's induction programme and personal development review for all staff.

Whilst aspiring to greater achievement in the area of equality and diversity, the Trust also recognises the need to implement realistic approaches which can deliver measurable improvements in day to day experience for all concerned. This reflection has contributed to a revision of the overall Equality and Diversity process, in order to most effectively prioritise those areas of development that will bring the greatest benefit to those most disadvantaged.

During 2017, the Trust has continued to present updates of progress alongside quality and patient experience aspects to local Healthwatch groups, as part of continuing development of the NHS Equality Delivery System (EDS2). The EDS 2 outcomes relate to all areas of the Trust's functions, having four main goal areas – better health outcomes (goal 1), improved patient access and experience (goal 2), a represented and supported workforce (goal 3) and inclusive leadership (goal 4). The Trust is taking a collaborative approach being adopted by several Trusts in the area to improve existing EDS2 goals 1 & 2 (patients) in close partnership with Merseyside Clinical Commissioning Groups, this work is ongoing and will identify priorities for 2018/19. EDS2 goal 3 (workforce) is supported by the Trust staff Black and Minority Ethnic (BME) Network and Disability Network that represent the views of these staff groups. The BME network also supports the progress of the Workforce Race Equality Standard (WRES) action plan. Implementing the Workforce Race Equality Standard (WRES) is a requirement for all NHS healthcare providers, and is designed to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace. This is important because studies shows that a motivated, included and valued workforce helps deliver high quality patient care, increased patient satisfaction and better patient safety. The WRES action plan agreed a number of actions to improve the experience of BME staff working at Alder Hey, and also agreed a target of a 1% year on year increase over the next 5 years in the numbers of BME staff employed by Alder Hey to ensure the numbers reflect the local community population.

In compliance with the Public Sector Equality Duties the Trust publishes equality information annually about its service users and staff, identifying where data needs to be improved in both patient and staff profiles. The self-service aspects of the employee staff record system has been implemented and has provided staff with greater control over their personal data including demographic data. The Trust continues to strive to improve the diversity of the workforce, particularly from Black and Minority Ethnic (BME) groups. This commitment is included in the Trust's Recruitment Strategy and is reinforced via the underpinning Equality, Diversity and Human Rights Policy which sets out the Trust's commitment to creating an inclusive

organisation, which seeks to recognise diversity, promote equal opportunities and supports Human Rights in the provision of health services for the communities it serves and in its practice as a leading employer.

The Trust published its first Gender Pay Gap report in 2018, produced to meet the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31st March 2017. Although not mandatory, the Trust produced a narrative that explains the calculations and provides an organisational context.

The equality analysis policy and process was reviewed, this minimises the risk that any changes and decisions we make are unlawful by considering what we are proposing to do in relation to our Public Sector Equality Duty (s149 of the public sector Equality Act 2010 – with the Trust ever day in decision making) and undertaking proper consultation with relevant stakeholders. Work is ongoing to improve the quality of equality analysis and strengthen the assurance process regarding equality analysis and to provide support to project and policy leads to ensure lawful decision making.

The Trust has provided for British Sign Language Video Remote Interpreting (VRI) located in the Emergency and Outpatient departments, available to all staff. This provides instant BSL interpretation services when required. The Trust provides interpreting and translation services to meet the communication needs of families; the five most frequently requested languages during 2017 have been Arabic, Romanian, Polish, Mandarin and Cantonese. Providing support for limited English speakers is essential for patient safety, quality assurance and enhanced patient experience and this

will continue to be available where a need is made known. Further work is taking place to look at how our services can be made more accessible in relation to information formats and communication support for families and recording these preferences on patient records.

Plans for 2018 are to continue to improve the quality of patient and staff information and the quality of equality analysis documentation. We will continue to work collaboratively with commissioners and local trusts to broaden opportunities to engage with community groups to progress the Trust’s equality objectives. We are committed to support the successful development of staff networks to help make a positive impact on the experiences of BME and Disabled Staff; and to support work in relation to the Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (due to be published August 2018). Training opportunities in cultural competence and unconscious bias will continue to be made available for staff. The networks will increasingly shape relevant aspects of leadership training to increase the education of staff. The Trust will undertake a detailed analysis of the results of the Gender Pay Gap Report and take steps to reduce the gender pay gap.

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



STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF ALDER HEY CHILDREN'S NHS FOUNDATION TRUST



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

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

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

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set

out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;

- ensure the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

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

Signed.

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive
22nd May 2018

ANNUAL GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Alder Hey Children's NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alder Hey Children's NHS Foundation Trust for the year ended 31st March 2018 and up to the date of approval of the annual report and accounts.

CAPACITY TO HANDLE RISK

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

As Chief Executive and Accounting Officer, I have overall responsibility and accountability for risk management. The Chief Executive is informed of significant risk issues via the established reporting mechanisms and assurance committees, ensuring that her role for risk management is fulfilled. The Medical Director is accountable to the Board of Directors and the Chief Executive for clinical risk management and clinical governance; he reports to the Chief Executive and the Board as appropriate. The Chief Nurse is the

Executive lead for risk management and is accountable to the Board and the Chief Executive for the Trust's risk management activities; she is also responsible for embedding compliance with CQC standards across the organisation. The Associate Director of Nursing and Governance is the operational lead for risk management, accountable to the Chief Nurse and has line management responsibility for the Trust's Risk Management team. They are responsible for ensuring that the Trust's risk management systems and processes are effective and operate in accordance with best practice. The Chief Nurse is also the Executive lead for Facilities and is responsible for the effective management of risk in those areas. The Director for Human Resources retains an overview of statutory and mandatory training for the organisation and is responsible for Health and Safety management. The Director of Finance is responsible for ensuring that the Trust carries out its business within sound financial governance arrangements that are controlled and monitored through effective audit and accounting systems. He is also responsible for Information Management and Technology risk. The Director of Corporate Affairs is responsible for Information Governance and is the nominated Senior Information Risk Owner, whilst the Chief Nurse is the Trust's Caldicott Guardian.

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

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

THE RISK AND CONTROL FRAMEWORK

During the year the Trust sustained its high rate of incident reporting via the NRLS system, which from last year placed it among the best performers for patient safety incident reporting nationally: the most recent data – March 2018 – positioned Alder Hey third in the country and the highest reporter among specialist paediatric trusts. This ongoing trend demonstrates the commitment of staff to the Trust's Quality Improvement culture and the benefits to be gained from open reporting and learning from incidents. As part of the overall risk management improvement plan, work to improve the functionality of the Ulysses incident reporting system continued during the year. Risk registers continue to be used interactively throughout the organisation and are fully embedded in the Trust's governance structures including the Executive Team, the Board, its sub-committees and Divisional Risk and Governance Groups to better drive the management and mitigation of risks. During the year extensive work has taken place to validate all risk registers at departmental level, ensuring that each identified risk has been reviewed and mitigating actions updated as appropriate. In addition, work continues to improve the risk register format and associated reports and supporting local areas in completing and reviewing risks. Training sessions continue to be available to all staff, including one to one and/or team sessions on request. In addition, Ulysses system one to one training is provided to new starters, with refresher training available on request.

The Board of Directors maintained its regular and robust oversight of the Board Assurance Framework during the year, with the assurance committees also keeping their related risks under regular review. The report continues to support the delivery of the Board agenda and has contributed towards the achievement of a positive statement from the Trust's Internal Auditors under the annual review of the Assurance Framework which states that:

'The organisation's Assurance Framework is structured to meet the NHS requirements, is visibly used by the Board and clearly reflects the risks discussed by the Board.'

The opinion recommended attention be given to ensuring that Board assurances are clearly identified within the BAF: 'some of the assurances detailed within the BAF could be clearer in terms of scope, frequency and reporting to the Board. This would also enable the Board to more directly connect the papers received with the BAF risks'. This will be taken forward during 2018/19.

The Trust received a rating of 'substantial assurance' confirmed by the Director of Audit Opinion for 2017/18.

Implementation of the Trust's Risk Management Strategy is monitored through the Integrated Governance Committee. The Board of Directors and its assurance committees have maintained their focus on key risks during the year. The strategy was reviewed and updated during the year; it provides a robust framework for the systematic identification, assessment, treatment and monitoring of risks, whether the risks are clinical, organisational, business, financial or environmental. Its purpose is to minimise risks to patients, staff, visitors and the organisation as a whole by ensuring that effective risk management systems and processes are implemented in all areas of service provision, and that these are regularly reviewed. The key elements of the strategy include:

- a definition of risk management;
- the Trust's policy statement and organisational philosophy in relation to risk management as an integral part of our corporate objectives, goals and management systems;
- strategic vision for risk management across the organisation;
- roles, responsibilities and accountabilities;
- governance structures in place to support risk management, including terms of reference of key committees.

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

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

Risks are analysed to determine their cause, their potential impact on patient and staff safety, the achievement of local objectives and strategic objectives, the likelihood of them occurring or recurring and how they may be managed. Risks are evaluated

using the Trust Framework for the Grading of Risks. This framework provides a consistent approach to the grading of risks arising within the Trust and enables all risks to be graded in the same manner against the same generic criteria. This allows for comparisons to be made between different types of risk and for judgements and decisions about risk appetite and the prioritisation of resource allocation to be made on that basis. It enables decisions to be taken about the level of management of each risk within the Trust.

A key philosophy of this strategy is to facilitate greater embedding of risk management across the Divisions and corporate functions in the Trust. In order to achieve that, each Division and corporate function has a lead for risk and governance who acts as the focus of the various aspects of governance and risk management within their area. They coordinate all such work and liaise with the Risk Management team and with other governance professionals across the Trust. Regular updates to departmental and divisional risk registers are fed in to the Corporate Risk Register. The Integrated Governance Committee engages in an active analysis of the Corporate Risk Register at each meeting, including consideration of risk escalation and de-escalation, which in turn links to the Board Assurance Framework.

During 2016/17, the Trust implemented a model of devolved governance within the clinical Divisions, giving clearer responsibility and ownership of risk and governance at local level. To further strengthen the risk and governance capability at senior level, the Trust appointed to a new role of Associate Director of Nursing and Governance commencing in May 2017, with the post-holder taking ownership of the ongoing Risk Management Improvement Plan and refreshing this to reflect latest developments. Significant progress was made to embed the devolved governance model during 2017/18 and at the same time great strides were made toward the new phase of the Risk Management Improvement Plan. The Associate Director of Nursing and Governance undertook a root and branch review of the Trust's risk management systems and processes during the first part of the year and this informed an updated improvement plan. She presented a progress report to the Audit Committee in January 2018 detailing actions taken to date, including:

- Implementation of a Trust-wide consistent risk validation process to take place on a monthly basis with each Division and department;
- Sharper focus at the Integrated Governance Committee on the underpinning assurance processes behind each risk and mitigations in place to achieve target risk ratings;
- Risks rated 15 or above to be assigned a responsible Executive until score assessed at 12 or below via effective mitigation.

In addition, a range of further actions were agreed and are currently at varying stages of implementation; these comprise:

- Development and implementation of step by step guides for risk management including:
 - Step by step guide for managing risks on the risk register
 - Step by step guide process for adding a risk to the risk register
 - Step by step guide to reporting incidents
 - Step by step guide for managers to manage incidents
- Introduction of investigation logs including lessons learned and actions for improvement for incidents, complaints, safeguarding, infection control etc)
- A 12 month schedule of monthly investigation assurance meetings
- A new 12 month schedule of risk revalidation meetings held monthly with all divisions and corporate functions individually
- Reintroduction of 12 month schedule of policy assurance meetings
- Implementation of Quality assurance rounds across 50 teams scheduled over 12 months, with executive and non-executive attendance.

The Trust remains registered with CQC without conditions and is fully compliant with the registration requirements. In April 2017 the Trust underwent an unannounced inspection by CQC, maintaining the overall ratings awarded in 2015 of 'Good' for the hospital overall with a rating of 'Outstanding' in the Caring domain. The Trust is also rated 'Good' in the Well-led domain, reflecting the focus on improving the Trust's risk and governance arrangements since the previous inspection, although there were some additional recommendations made with particular reference to risk management at individual service and departmental level. This action was incorporated into the Trust's Risk Management Improvement Plan and implemented as described above.

In terms of monitoring compliance with registration requirements and essential standards, the Clinical Divisions provide assurance via regular submissions of their key issues reports through to the Clinical Quality Steering Group (CQSG). This incorporates a set of quality indicators reflecting the Trust's Quality Strategy, Quality Aims and associated KPIs. The key issue reports include compliance against CQC standards and other regulatory targets. They also incorporate assurance against clinical effectiveness, patient experience and patient safety indicators such as incidents, risks, medication errors and infections.

The Divisions report against CQC Fundamental Standards as part of the assurance framework and action plans from serious incidents are also presented and monitored with dissemination to Divisions for shared learning. CQSG also provides a key issues report to CQAC for further assurance, highlighting any exceptions or risks that may need to be addressed or escalated.

The Board at Alder Hey continues to review its quality governance arrangements and underpinning systems and processes on a regular basis. The Clinical Quality Assurance Committee, whose membership includes all Divisional Directors as well as Board directors, carries out more detailed scrutiny under its delegated authority from the Board for oversight of the Trust's performance against NHS Improvement's Quality Governance Framework, the delivery of the Quality Strategy incorporating measures of clinical effectiveness, patient safety and positive patient experience. The work of the Audit Committee complements this by discharging its responsibility for the maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities.

As described above, new programme of Quality Assurance Ward/Department Rounds was implemented for 2017/18 which commenced fully in September 2017. The purpose of this programme is to:

- Facilitate a deep dive at ward/department/specialty level into quality and performance, noting areas of good practice and any actions being taken at a local level to address areas of concern.
- Provide both quantitative and qualitative information to demonstrate that the services are safe, effective, responsive, caring and well-led in line with the CQC's Key Lines of Enquiry (KLOE).
- Enable the wards/departments to review standards of care being delivered via the results of the latest Quality Care Assessment Tool (QCAT) where completed, the ward dashboard and other quality metrics used within the specialty.
- Allow specialties to provide an overview of the results of any external peer reviews of their service, and/or benchmark against relevant national specialty guidance or standards.
- Provide an opportunity for ward/departments and specialty staff to talk directly to Executive and Non-Executive Directors.
- Enable members of the Board to familiarise themselves with clinical environments and the day-to-day activities occurring at Ward/Department/specialty level, hearing first hand from front-line staff.
- Enable members of the Board to consider any issues facing the ward/ department that are escalated and need their input or support to resolve.

- To support the golden thread of ward to board reporting through transparency, by testing out and gaining assurance that what is reported to the Board is consistent with what is happening at a local level.

The programme commenced in September 2017 and by the end of March 2018 assurance rounds undertaken. Both quantitative and qualitative assurance has been presented by all services, via the presentations and walk arounds, which have shown to the board members a clear link between board and local assurance.

Key themes emerging from the process to date include:

- All services have been very clear about the vision for their service, which is aligned with the Trust vision, in terms of building a healthier future for children, and their families.
- All inpatient wards hold daily safety huddles (safety huddles are short multidisciplinary briefings designed to give healthcare staff, clinical and non-clinical opportunities understand what is going on with each patient and anticipate future risks to improve patient safety and care).
- All services have demonstrated a good understanding of the Care Quality Commission 5 key lines of enquiry, and the content of their presentations demonstrated this clearly.
- All services demonstrated strong emphasis on team working, appreciation of colleagues from other disciplines, and the contribution they bring to the service and patient care.
- The management of risk is at the centre of service provision and good evidence demonstrated of checks and balances being in place, with the ethos of the need for continuous improvement.
- The culture across services is open, honest and encourages staff to speak out about mistakes and problems, working together to find solutions to keep patients, staff and others safe.
- Many of the services have achieved national recognition because of their innovation and outstanding work.
- Strong evidence of excellent leadership across services visited, and good understanding of purpose and direction the services will be taking going forward.
- Strong emphasis on recognising staff achievements e.g. hero awards, star of the month awards.
- Good evidence of communication via, newsletters, briefings, governance meetings, safety alerts.

The Board has continued to focus on improving the information received to describe the performance of the organisation with regard to quality and other key

performance metrics. Reporting processes have continued to develop with a significant refresh of the Trust's Corporate Report taking place in the latter part of the year to ensure alignment with strategic and national objectives. A revised report both in terms of content and format was phased in from February 2018 and will be fully implemented from April 2018 as a consequence of this work.

The Trust has been keen to ensure that it optimises the Quality Governance Framework first published by Monitor in 2010, subsequently adopted by NHS Improvement and which also informs the Well Led Governance Framework published by NHS Improvement and revised in June 2017. The Trust has continued to undertake regular self-assessments of its position against each element of the framework, under the auspices of the Clinical Quality Assurance Committee; this exercise was completed on three occasions during 2017/18 – May, September and December.

This ongoing consideration of the Quality Governance Framework meant that the Board was sighted on the developmental benefits for the organisation from commissioning an independent review under the Well Led Governance Framework. The review was undertaken by Mersey Internal Audit Agency in partnership with AQuA (Advancing Quality Alliance) from November 2017, involving a wide range of senior staff from the Trust as well as taking in the views of Governors and external stakeholders. The draft report was received in February 2018; its overall conclusion was that Alder Hey was well-led, stating: 'It is an organisation that has lived values, a talented Board, a determined strategic intent and a momentum to developing a clinical leadership model.' The report sets out a range of developmental recommendations across the CQC's eight well led Key Lines of Enquiry; it is the intention of the Board to hold a workshop session early in 2018/19 facilitated by the review leads from which the Trust's response and priorities for action will be agreed, with timescales for completion.

The Board undertook its annual formal gap analysis against the conditions contained within its Provider Licence during the year. With regard to Condition FT4 – NHS foundation trust governance arrangements, the exercise did not identify any material risks to compliance with this condition.

A comprehensive gap analysis of the Trust's Corporate Governance Statement under the Provider Licence, was undertaken in May 2018 ahead of the formal declarations required by NHS Improvement. This did not identify any material gaps in compliance. The Board continues to keep its governance arrangements under regular review and itself appraised of any new guidance or best practice advice that is published through the

year. Alder Hey continues to be placed in segment '2' under NHS Improvement's Single Oversight Framework – providers offered targeted support - reflecting the Trust's previous financial position against control total.

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

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

The Corporate Report remains the principal mechanism for ensuring that the Board and its committees receive timely, accurate and comprehensive information on the performance of the organisation. The report is kept under review by the Executive Team to ensure that it is fulfilling this function as effectively as possible; the Non-Executive Directors provide regular feedback on the report and on the presentation of individual indicators; during the year the Trust's most recently appointed NED took a special interest in the development of the report and this oversight remains ongoing. As described above, the review undertaken in 2017/18 was more detailed and has resulted in a significant refresh intended to improve the clarity of the information presented.

The principal risks to the organisation during 2017/18 were focused predominantly on three main areas: financial sustainability in a challenging environment; the

organisation's ability to continue to grow; and workforce challenges linked to future supply of appropriately trained and skilled staff. The key mitigations for each are:

- **Financial sustainability in a challenging environment**

Mitigation:

- develop a broader service base
- promote a national alliance on paediatric tariff

- **Ability to continue to grow**

Mitigation:

- develop meaningful partnerships
- develop new business models with NHS partners develop new NHS business, international operation and innovation

- **Workforce**

Mitigation:

- Maximise Employer-Provider status for apprenticeships
- Maintain supply of nurses via nurse pool – 40 WTE above establishment
- Develop the Alder Hey Academy including collaborative working with HEI's and local schools
- Develop new and expanded roles e.g. nurse social worker, Advanced Nurse Practitioners to support medical workforce
- Deliver our health and wellbeing strategy for staff.

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

Control measures are in place to ensure that the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust maintains continuing compliance with the statutory and regulatory duties that are related to Equality, Diversity and Human Rights, with publication of information to meet the Public Sector Equality Duty. Arrangements for the strategic oversight of progress towards the Trust's Equality Objectives have been a key priority during the year; this process will continue to be reinforced during 2018/19. The Equality Objectives will be aligned with NHS EDS 2 and the WRES and will respond to the associated commissioning requirements.

The trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency

requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

REVIEW OF ECONOMY, EFFICIENCY AND EFFECTIVENESS OF THE USE OF RESOURCES

As Accounting Officer, I am responsible for ensuring arrangements are in place for securing value for money in the use of the Trust's resources. To do this, I have implemented a robust system to set, review and implement strategic objectives. Trust objectives are informed by the views of its Council of Governors and other key stakeholders. In 2017/18 the Trust continued to engage with the Sustainability and Transformation Planning process that was established nationally in 2016/17 to take forward the vision set out in the Five Year Forward View, for which I was lead for the Cheshire and Merseyside group from March 2016, which ensured that Alder Hey was well placed to understand this wider context and participate in the health economy's response to its challenges. I stood down from this role In May 2017, in order to focus upon Alder Hey as it took on the responsibilities of the six month management contract for Liverpool Community Health NHS Trust which it had undertaken at the behest of NHS Improvement.

The Trust produces an annual operational plan that sets out organisational objectives which are cascaded to local level. Divisional activity is reviewed throughout the year to monitor progress and agree corrective action where necessary via monthly performance review meetings with Divisional senior teams. The Board of Directors reviews performance against objectives on a monthly basis through the Corporate Performance Report which is also reviewed by key Board assurance committees.

Operationally, the Executive team uses a range of mechanisms through which it monitors performance, identifies emerging risks to delivery and takes mitigating action to address issues as they arise. These processes have continued during the year and include twice daily patient flow huddles, a weekly activity meeting and a weekly Executive 'Communication Cell' huddle which was set up during 2017/18 as a means of sharing information about actual performance over the previous seven days and highlighting issues for the coming week. This process was particularly effective

during the winter months to operationalise the Trust's robust Winter Plan, which had been devised this year to flex capacity during weeks in which seasonal illnesses had been predicted to reach their peak, thereby minimising the number of cancelled elective procedures. These operational processes contribute to the Trust's control environment and provide assurance to the Board that performance risks are understood and fully mitigated where they are within the Trust's locus of control.

The Board's assurance system is underpinned by the work of the Trust's internal auditors which is overseen by the Audit Committee. Each year the Committee agrees an audit programme which aims to focus on areas of weakness or potential risk in internal control and make recommendations to address deficits where these are identified. The Audit Committee retains a database of remedial actions agreed as a result of audits and these are followed up by the Committee until completed. During the last 12 months the Committee chair has retained a strong focus on the processes around the monitoring of internal audit recommendations and the provision of regular reports both from lead officers and internal audit, to ensure that any areas of limited assurance are followed up and relevant action taken.

A range of specific initiatives to improve the use of resources were in place during 2017/18, including:

- Continued development of the InfoFox Business Intelligence Self-service Portal which provides interactive dashboards reporting finance, quality and operational performance information. Reporting enhanced and now includes real time daily activity reporting and forward look with drill through to outpatient and theatre productivity to ensure contract activity plans achieved and capacity utilised.
- Enhanced materials management stock control continued in the new hospital with demonstrable reduction to stockholding.
- Procurement strategy agreed aimed at delivering best in class purchasing, and service to our clinical services at best price, including comprehensive Divisional spend analysis and dedicated Category Manager support to encourage VFM ideas and solutions from the shop floor.
- Building on a first of its kind 'Procurement Symposium' event in which Alder Hey brought together a roomful of its key suppliers to work on joint solutions to the challenges of securing best value for patients, a Top 20 Supplier Strategy was produced and progressed.
- Continued development of service line reporting and patient level costing information with specialty teams resulting in increased clinical engagement in costing and performance improvement.

- Using the service line reporting and patient level costing information we have developed projects which will help Alder Hey achieve its operational priorities. These projects assess the financial benefit and the patient impact together and management are able to prioritise the ideas with the greatest benefits first.
- Development of a workforce sustainability plan which further builds on the enhanced systems and processes to support the compliance with national rules regarding the management and control of agency staff costs and framework agreements.
- Extensive recruitment to clinical roles to reduce the reliance on temporary staffing

INFORMATION GOVERNANCE

The Trust has an Information Governance Framework that incorporates an on-going programme of work to ensure that data held is handled appropriately and securely and any risks within the Information Governance remit are managed and controlled. This incorporates completion of the annual Information Governance Toolkit assessment which is overseen by the Information Governance Steering Group and is subject to internal and external review. The Trust's compliance with the Toolkit has been assessed as 76% for 2017/18, which is 'satisfactory'. The annual internal audit review of fifteen IG toolkit elements resulted in 'significant assurance'. The Trust had no serious incidents relating to Information Governance during the period. During the year, work has continued within the Trust to prepare for the introduction of the General Data Protection Regulations (GDPR) which will reform Data Protection legislation and will apply in the UK from 25th May 2018.

Alder Hey was not affected by the cyber attack on the NHS which took place in May 2017; however the Trust continues to be vigilant and highly focused upon safeguarding its information systems via robust cyber security measures. These measures were also subject to testing via an internal audit during the year, which received a rating of 'significant assurance.'

ANNUAL QUALITY REPORT

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

The Medical Director and Chief Nurse are jointly responsible at Board level for leading the quality agenda within the Trust, supported by the Director of

Nursing, Deputy Director of Nursing and Associate Director of Risk and Governance. In addition, the Board appointed two Directors of Transformation and Clinical Effectiveness from among the consultant body during the year to strengthen the team leading the Trust's Quality Improvement agenda.

The Trust's Quality Strategy was refreshed following the move to the new hospital and the revised version approved by the Board in April 2016. It has been refreshed further on an iterative basis as the new Divisional management model developed and new roles embedded. The key elements of the strategy include:

- Strong clinical leadership driving quality improvement
- Engaging our workforce to get involved
- Improved culture of risk management and quality improvement through a devolved quality and governance structure
- Improvements in workforce health and wellbeing based on the principle of 'happy staff = happy patients'
- Greater patient and carer involvement: 'giving patients a voice.'

Underpinning each of these elements is a range of projects and initiatives which in turn are designed to deliver the fundamental building blocks of the Quality Strategy which remain:

- Patients will not suffer harm in our care
- Patients will receive the most effective evidence based care
- Patients will have the best possible experience

It is these fundamentals and their associated Quality Aims that have been consistently at the core of the Trust's approach to quality since 2012/13 and which enable a coherent and authentic narrative for staff.

The Quality Account is a core element of measuring the delivery of the Quality Strategy. The quality outcome measures identified in the Trust's Quality Account are identified and reviewed on an annual basis in consultation with our Governors and other stakeholders.

In support of this, during the year the Trust's internal Quality Report, which is embedded within the Corporate Report, was reviewed to ensure consistency of information tracking against the Quality Aims, a range of sixteen safety, effectiveness and experience measures that also allow for comparison with other providers and can be used as assurance for regulators. The Quality Report is reviewed in detail by the Clinical Quality Assurance Committee and by the Board of Directors on a monthly basis. The Report is kept under

review to ensure that content remains responsive to key national drivers, such as the change to the metrics set out by NHS Improvement in the Single Oversight Framework and that actions taken to achieve the aims incorporate learning from elsewhere in the NHS.

Significant work has been undertaken during the year to assure the accuracy of the quality data contained within the report. Our data quality team undertakes regular audit across a series of metrics, indicators and measures and this work is reported to the Data Quality Steering Group which meets monthly to review data quality in the Trust. The Trust Audit programme for 2017/18 included audit to assess the data quality to recording patient demographics, of A&E waiting times, referral to treatment (RTT) referral and pathway information. MIAA also carried out audits focusing on referral and waiting list management and performance management and monitoring. Performance information is validated by the service and reviewed at the weekly performance meeting prior to sign off for reporting. Information procedures are maintained to ensure they reflect changes in reporting processes. There have been improvements made to recording of patient demographics and recording of patient outcomes in clinic this year with more oversight and monitoring of these processes supported by standard processes and procedures.

At Alder Hey we have undertaken a range of measures to ensure we have accurate and robust waiting times data. We have a Data Quality Steering group that meets monthly to review recording and reporting of patient information including waiting times information. Our Patient Access Policy, although not due for review is currently being reviewed and relaunched in May 2018. Our Patient Access Policy was reviewed and updated to reflect current processes and reporting requirements and a weekly performance group is in place to monitor all aspects of RTT performance and identify and resolve issues with the clinical divisions. We have also focused improvement work on patient pathways in outpatients, with the establishment of an Outpatient Improvement project with work streams including a booking and scheduling workstream which has undertaken work to improve pathways and processes. The improvement programme at the Trust for 2018/19 continues to focus on further improving our booking and scheduling process with a 'Brilliant Booking and Scheduling' project that will fundamentally change the way we book our patients ensuring we have the right capacity in place to book our patients into. It is also an aspiration of the group to review the use of technology to improve access to book an appointment and improve user satisfaction.

The Trust regularly validates patients on pathways which in turn feeds into our Data Quality Steering group which meets on a monthly basis. The Outpatient Department task and finish group highlighted the

need for focused validation and a plan is in progress to implement this structure. This will be audited as part of the Data Quality Audit Plan 2017/18. Clinical and non-clinical staff have been trained in accurate data inputting which will ensure we are stopping and starting RTT accurately (amongst other benefits the new system will bring).

We continue to engage with the 'Civil Eyes' Programme who benchmark the majority of children's hospitals in the UK and Northern Ireland across a range of indicators and specialty areas to ensure we are not an outlier. The second year of the Trust's participation in the Clinical Utilisation Review has meant that we have continued to focus on clinical activity validation with the clinical coding team and clinical teams, to allow them to review, benchmark and improve clinical activity recording.

REVIEW OF EFFECTIVENESS

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

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes the following elements:

- the Board of Directors provides active leadership of the Trust within a framework of prudent controls that enable risk to be assessed and managed;
- the Audit Committee, as part of an integrated governance structure, is pivotal in advising the Board on the effectiveness of the system of internal control;
- the Committees of the Board are key components by which I am able to assess the effectiveness and assure the Board of risk management generally and clinical risk in particular via the Clinical Quality Assurance Committee, supported by the Clinical Quality Steering Group and by the Integrated Governance Committee which was established to strengthen the Trust's overall risk and governance arrangements;

- Internal Audit provides quarterly reports to the Audit Committee and full reports to the Director of Finance and other Trust Officers;
- the Director of Finance also meets regularly with internal and external Audit Managers;
- the Integrated Governance Committee holds Divisions and corporate departments to account for the effective management of their key risks;
- other explicit review and assurance mechanisms include divisional risk registers linked to the Operational Plan and a range of independent assessments against key areas of control, as set out in the Assurance Framework;
- continuous registration without conditions by the Care Quality Commission 1st April 2010 onwards;
- retention of the Trust's Human Tissue Authority Licence; all HTA standards were met on inspection and areas of good practice highlighted in the report;
- retention of Clinical Pathology Accreditation for the year.

Any significant internal control issues would be reported to the Board via the appropriate Committee.

I receive reports from the Royal Colleges and following Deanery visits. In addition, there are a range of other independent assessments against key areas of control which are co-ordinated and monitored under the auspices of the Trust's External Visits policy, for example:

- A planned, study specific inspection by the Medicines and Healthcare products Regulatory Agency (MHRA) of our Research Epilepsy Studies;
- The Pharmacy Aseptic Services Unit underwent two audits from Specialist Pharmacy Service North (NW), in August 2017 and in March 2018;
- The annual PLACE inspection of the hospital's facilities from a patient's perspective; and
- An assessment against the United Kingdom Accreditation Service (UKAS) ISO 15189:2012 Medical Laboratories Accreditation.

The Board of Directors is committed to continuous improvement and development of the system of internal control and the recommendations from all visits and inspections are monitored through the Trust's governance processes until completion.

CONCLUSION

In conclusion, for 2017/18 no significant internal control issues have been identified.

Signed: *Louise Shepherd* **LOUISE SHEPHERD**
CBE
 Chief Executive
 22nd May 2018

THE YOUNG PEOPLE'S CANCER UNIT RECEIVES ROYAL VISIT

Sarah, Duchess of York and HRH Princess Eugenie helped Alder Hey celebrate the second birthday of Alder Hey's young people's oncology department.

On 13th September 2017, Teenage Cancer Trust Honorary Patrons Sarah, Duchess of York HRH Princess Eugenie, joined Alder Hey at the Teenage Cancer Trust funded facility within Oncology Unit for a birthday bash to mark two years since the specialist unit opened. They met patients aged 13 - 19 who are undergoing treatment for various types of cancer.

Teenage Cancer Trust provided £500k to help Alder Hey enhance a dedicated teenage and young adult facility within the new hospital's oncology unit in 2015 and worked with patients on the design, making it feel more like a home from home than a hospital ward, and a space where young people can get together to support each other through treatment.

Sarah, Duchess of York, is a long-standing and tireless supporter of Teenage Cancer Trust. She officially opened the charity's first specialist cancer unit in 1990, and has attended almost all of the charity's 28 subsequent new

unit openings across the UK. In this time she has met thousands of young people with cancer and been a passionate advocate for raising awareness of the issues they face and of the innovative support Teenage Cancer Trust provides. Princess Eugenie and Princess Beatrice were introduced to the charity by their mother and became Honorary Patrons in 2016.

Alder Hey is a Centre of Excellence for treating children and young people with cancer and the funding from TCT has enabled Alder Hey to make vital enhancements to the teenage area of our Oncology Unit, creating a state-of-the-art facility specifically designed for young people.



QUALITY REPORT 2017/18

“A HEALTHIER FUTURE FOR CHILDREN AND YOUNG PEOPLE”

PART 1: STATEMENT ON QUALITY FROM LOUISE SHEPHERD, CHIEF EXECUTIVE

I would like to use this year’s statement on quality as an opportunity to pay tribute to the exceptional team of people that makes Alder Hey such a special place. This year marks my 10th as Chief Executive here and during that time it has been my privilege to work alongside so many outstanding colleagues, all of whom dedicate their lives to improving the health and wellbeing of children and young people. This report summarises some, although not all, of that effort.

A notable example of this incredible focus in the last year has been the drive to improve the early identification and treatment of deteriorating patients and in particular children with sepsis. The whole hospital effort to deliver our new clinical pathway for this life-threatening infection, which is notoriously difficult to detect early on in young children, has been superlative and has been shared and replicated across the country.

It also serves to illustrate the progress we have continued to make in cementing a quality improvement culture throughout the organisation. A key feature of this is a genuine willingness to learn from those occasions when things don’t quite go according to plan. I am immensely proud of the way in which staff at Alder Hey demonstrate real openness and transparency, creating and nurturing the right environment for reflection and ultimately, improvements and innovation in practice.

The ambition we have to develop innovation in children’s healthcare through technology has continued to gain momentum in the last year. In the summer our innovation team launched the Alder Play App, which aims to enhance the experience of our patients through distraction, reward and familiarisation with the hospital prior to their visit, using a medium which is already part of most children’s everyday lives. The App was born from the vision of one of our amazing clinicians way back in 2012 and takes us one step closer to our dream of world leading, digitally enabled child-centred facilities.



In February 2018 the Trust underwent an inspection by the Care Quality Commission. The inspectors’ feedback at the end of the visit included an observation about the respectful relationships they found everywhere between staff, patients and families, the pride that staff radiated when talking about their services and above all, the universal focus on the child from everyone they met. These qualities cannot be manufactured but lie at the heart of what it means to work at Alder Hey.

As Chief Executive, I commend our Quality Report for 2017/18 to you. I am confident that the information set out in the document is accurate and a fair reflection of the key issues and priorities that clinical teams have developed within their services. The Board remains fully committed to supporting those teams in every way they can to continuously improve care for our children and young people.

Signed:

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive

PART 2: PRIORITIES FOR IMPROVEMENT AND STATEMENTS OF ASSURANCE FROM THE BOARD

2.1 PRIORITIES FOR IMPROVEMENT

This section of the report describes an overview of the Trust's plans for continuous quality improvement and specifically details the key quality improvement priorities for 2018/19, including the rationale for selection of the priorities.

2.1.1 Priorities for Improvement in 2018/19

The Trust's five year quality strategy, 'Inspiring Quality', maintains a strong focus on patient safety, patient experience and clinical effectiveness, plus recognises the significance of staff health and wellbeing and our environment in supporting the delivery of a high quality service.

The past year has included a refresh of the quality strategy with a view to further strengthening our approach to quality improvement. In doing so we have examined our performance over the past three years in which we adopted the Sign up to Safety pledge and delivered significant improvements in incident reporting, medication errors and hospital acquired infections. We

will maintain a strong focus on these areas for further improvement in 2018/19. We have also consulted with our key stakeholders to gain their views on where our quality improvement efforts should lie in the coming year. This included discussions within the Trust through the Clinical Quality Assurance Committee (CQAC), Operational Delivery Group (ODG) and Divisional teams, as well as discussions with the Children & Young People's Forum, Parents' Forum, Council of Governors and Healthwatch organisations. A draft Quality Improvement Plan was constructed and this will be further developed in May 2018 through a Quality Summit, where we will invite staff from all departments and services to come together with patients and families to refine our Quality Improvement plan and strive to create a culture of quality improvement every day.

Details of the specific priorities for 2018/19, as identified in the draft Quality Improvement Plan are provided in the following tables. It should be noted that the fine detail of these priorities may be modified following further consultation with a wider group of staff and with patients and families at the Quality Summit in May 2018.

Priority 1 Children and Families First, Every Time

Rationale The vast majority of patient feedback we receive is extremely positive, however there are some areas of dissatisfaction identified through engagement with children and families and through patient surveys. As an organisation we strive to ensure that we always put the children and families at the centre of everything we do, ensuring they are involved in decisions about the care they receive. We will seek to create more opportunities for children, young people and families to work in partnership with Trust staff in collaborative teams to co-design service improvements. In particular we plan to further improve our outpatient care and booking systems, ensuring we put children and families first, every time.

The Trust Board agree that there should be specific focus on:

- Improving outpatient care
- Improving access to services through brilliant booking systems

Measuring Successful delivery of this priority will be measured through patient survey feedback, including a focus on satisfaction with outpatient care and satisfaction with the booking system when given an appointment. Final metrics will be agreed following the Quality Summit in May 2018.

Monitoring & Reporting Once metrics are confirmed, they will be monitored through the corporate report, which is available through the Trust's electronic information channel, Infofox, and is formally presented to Clinical Quality Steering Group, with exception reports being shared with Clinical Quality Assurance Committee and ultimately Trust Board.

Priority 2 No Preventable Harms or Deaths

Rationale The Trust has made significant improvements in reducing the amount of harm being caused to patients, with medication errors causing harm being reduced by 75% and hospital acquired infections being reduced by over 45%. Patient safety remains a top priority for the Trust with the acknowledgement that there is always room for further improvement. Specific focus will be given to early intervention when patients begin to deteriorate unexpectedly, and to reducing the number of hospital acquired pressure ulcers.

The Trust Board agree that there should be specific focus on:

- Achieving zero preventable deaths in hospital
- Early intervention for the deteriorating patient
- Reduction in preventable pressure ulcers

Measuring The number of preventable deaths will be taken as a high level proxy for this measure. Compliance with the national sepsis standards and the number of Grade 3 and 4 pressure ulcers will also be measured.

Monitoring & Reporting The monthly corporate report will be used to monitor and report progress against these measures. This is reported through to Clinical Quality Assurance Committee and Trust Board. Sepsis standards are also reported nationally and form part of the quality contract with commissioners.

Priority 3 Outstanding Clinical Outcomes for Children

Rationale The Trust is proud to be world leading in many areas of developing paediatric outcome measures and recognises there are further opportunities to develop and improve our monitoring of clinical outcomes. Part of this commitment links to the Trust's desire to reduce variation and to strengthen standardisation of clinical pathways, thereby ensuring the best evidence based practice is embedded and spread across the organisation. As a Global Digital Exemplar, the Trust is already committed to digitising clinical pathways and standardising documentation, using best practice as evidenced in NICE guidance and National Standards. This will form part of our priority to deliver outstanding clinical outcomes for children. Specific focus will also be given to further reducing hospital acquired infections as a key measure of improved clinical outcome.

The Trust Board agree that there should be specific focus on:

- Developing digitised clinical pathways
- Developing and improving outcomes in each specialty
- Reduction in hospital acquired infections

Measuring The Trust will track the number of standardised / digitised pathways, plus bespoke outcome measures in each specialty. The number of hospital infections will also be used to demonstrate improvement in clinical outcomes.

Monitoring & Reporting Evidence based, digitised care pathways will continue to be monitored through the bespoke Global Digital Excellence Steering Group and reported to the Trust's Programme Board. Hospital Acquired Infections will be closely monitored by the Trust's Infection Prevention and Control team and tracked monthly through the Trust's corporate report, reporting ultimately to Clinical Quality Assurance Committee and Trust Board.



2.1.2 Quality Improvements in 2017/18 – Progress Update

The key priorities for improvement for 2017/18 were described in the 2016/17 Quality Account and focused on five priority areas each of which represented an improvement aim under the respective Quality domains as defined in the Quality Strategy, ‘Inspiring Quality’. These were agreed by the Trust Board as:

1. Further embed a safety culture throughout the organisation
2. Increase engagement of children, young people and families in improving quality and developing services.
3. Increase number of defined clinical care pathways across our clinical specialties.
4. Provide support that will enable our staff to feel valued and respected by the organisation and actively contribute to the organisation’s success
5. Continue to improve the environment to make it work for both patients and staff.

Details of progress against these key priorities from 2017/18 is provided in Section 3 of this report.

2.2 STATEMENTS OF ASSURANCE FROM THE BOARD

2.2.1 Review of Services

During 2017/18 Alder Hey Children’s NHS Foundation Trust provided 42 relevant health services. Alder Hey has reviewed all the data available to them on the quality of care in all of these relevant health services. The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by Alder Hey for 2017/18.

2.2.2 Participation in Clinical Audits and National Confidential Enquiries

Clinical Audit is a key aspect of assuring and developing effective clinical pathways and outcomes.

National Clinical Audits are either funded by the Health Care Quality Improvement Partnership (HQIP) through the National Clinical Audit and Patient Outcomes Programme (NCAPOP) or funded through other means. Priorities for the NCAPOP are set by NHS England with advice from the National Clinical Audit Advisory Group (NCAAG).

During the reporting period 1st April 2017 to 31st March 2018, 10 National Clinical Audits and five National Confidential Enquiries covered NHS services that Alder Hey Children’s NHS Foundation Trust provides.

During that period Alder Hey Children’s NHS Foundation Trust participated in 100% (10 out of 10) National Clinical Audits and 100% (5 out of 5) National Confidential Enquiries of the National Clinical Audits and National Confidential Enquiries which it was eligible to participate in.

The National Clinical Audits and National Confidential Enquiries that Alder Hey Children’s NHS Foundation Trust was eligible to participate in during the reporting period 1st April 2017 to 31st March 2018 are contained in the table below.

The National Clinical Audits and National Confidential Enquiries that Alder Hey Children’s NHS Foundation Trust participated in, and for which data collection was completed during the reporting period 1st April 2017 to 31st March 2018, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National Audit	Participation	% Cases Submitted
Children		
Paediatric Intensive Care (<u>PICANet</u>)	Yes	Submitted 962 cases, which was 100% of cases available.
Potential Donor Audit (<u>NHS Blood and Transplant</u>)	Yes	Not available at time of publication.
Pain in Children (<u>Royal College of Emergency Medicine</u>)	Yes	Submitted 50 cases, which was 100% of cases available.
Acute Care		
Severe Trauma (<u>Trauma Audit and Research Network</u>)	Yes	Submitted 238 cases, which is 100% of cases available.
Cardiac		
Cardiac Arrest (<u>National Cardiac Arrest Audit</u>) (<u>NCAA</u>)	Yes	Submitted 14 cases which was 100% of cases available.
Paediatric Cardiac Surgery (<u>National Institute for Cardiovascular Outcomes Research</u>) (<u>NICOR Congenital Heart Disease Audit</u>)	Yes	Submitted 816 cases, which was 100% of cases available. Data quality score 97.5%.
Cardiac Arrhythmia (<u>Cardiac Rhythm Management</u>) (<u>CRM</u>)	Yes	Submitted 63 cases which was 100% of cases required for the audit sample.
Long Term Conditions		
Ulcerative Colitis and Crohn's Disease (<u>National IBD Audit</u>) Biological Therapies	Yes	Submitted 408 cases, which was 100% of cases available.
Renal Replacement Therapy (<u>UK Renal Registry</u>)	Yes	Data Collection Ongoing. The UKRR (United Kingdom Renal Registry) does not yet hold the final figures of patients for the 2017/2018 period as data are currently being submitted by units at different times.



National Confidential Enquiries	Participation	% Cases Submitted
Chronic Neurodisability - National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Yes	9 cases submitted which was 90% of cases available. Reported March 2018.
Young People's Mental Health - National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Yes	3 cases submitted which was 100% of cases available. Report expected April 2018
Cancer in Children, Teens and Young Adults	Yes	9 SACT (Systemic Anti Cancer Therapy) cases and 8 PICU (Paediatric Intensive Care Unit) cases submitted which was 100% of cases available. This study is ongoing into 2018. Report expected Autumn 2018.
Suicide in Children and Young People (CYP) - National Confidential Inquiry into Suicide and Homicide by People With Mental Illness (NCISH) University of Manchester	Yes	1 case included in the study which was 100% of cases available.
Perinatal Mortality and Morbidity Confidential Enquiries (Term Intrapartum Related Neonatal Deaths) - MBRRACE-UK - National Perinatal Epidemiology Unit (NPEU)	Yes	19 cases submitted which was 100% of cases available.

2.2.3 Actions arising from National Clinical Audits

The reports of 10 National Clinical Audits were reviewed by the provider in the reporting period April 1st 2017 to March 31st 2018 and Alder Hey Children's NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

National Clinical Audit	Actions
Paediatric Intensive Care (PICANet)	The national audit report was reviewed and discussed on the Paediatric Intensive Care Unit (PICU). We are always commended for the quality of the PICANET data set.
Potential Donor Audit (NHS Blood and Transplant)	Not available at time of publication.
Pain in Children Royal College of Emergency Medicine	No actions to date as the report due to be published on 20 April 2018.
Severe Trauma (Trauma Audit and Research Network)	For the period 2017/18 our data completeness and data quality are both 97%+. There are 238 applicable entries for this period an increase of 38% on the previous years number of 172.
Cardiac Arrest (National Cardiac Arrest Audit)	Not available at time of publication.
Paediatric Cardiac Surgery (NICOR Congenital Heart Disease Audit)	The Data Quality report showed that we have achieved an overall Data Quality Indicator of 97.5%. An action plan was not required as the audit standards are being met.

National Clinical Audit

Actions

National Cardiac Rhythm Management Audit (NICOR)

Recommendations and Actions specific to Alder Hey were as follows:

- Address the ongoing challenges with developing or purchasing a Cardiac Information System that can be used at the point of service to capture data in real time.
- More input is needed by Clinicians in the capturing/validation of the data.
- More consistency capturing details of any devices used in the operations – i.e. manufacturer, model and serial number.
- More specific descriptions of procedures done in theatre log books.
- Making submissions by month.

Ulcerative Colitis and Crohn's Disease (National UK IBD (Inflammatory Bowel Disease) Audit) Biological Therapies

The UK Inflammatory Bowel Disease (IBD) audit has merged with the UK IBD Registry, moving towards an improved system for data capture and quality improvement in IBD

On-going collection of our biological therapies data is now through the UK IBD Registry.

We are now submitting our data to this component of the audit in line with the data submission deadlines for the IBD Biologics Audit during 2018 and 2019.

Diabetes (Royal College of Paediatrics and Child Health (RCPCH) National Paediatric Diabetes Audit)

Data collection for the audit has improved following our use of the "TWINKLE" system (diabetes specific data collection software) for data entry. Twinkle enables automated data capture and reporting for the Best Practice Tariff (BPT).

Actions and recommendations from 2016/2017 audit are as follows;

- We have implemented a new strategy for delivering annual review which includes: no separate annual review clinics, all annual review delivered by the team between April to July to increase delivery of care processes, annual review dashboard on Twinkle software to highlight patients with incomplete annual review.
- Extensive work is ongoing to improve the interface between Meditech 6 (Hospital system) and Twinkle software as significant areas of activity not captured in the NPDA (National Paediatric Diabetes Audit) report such as urine ACR (albumin to creatinine ratio) testing due to lack of transfer of data between the 2 systems.
- Median HbA1c (glycated haemoglobin) above national average – ongoing program of quality improvement activity to improve outcomes through improvements in delivering structured education and monthly monitoring of clinic HbA1c (measuring plasma glucose levels)
- Percentage of patients receiving 4 or more HbA1c measurements is below national average – patient numbers have increased resulting in insufficient clinic capacity and high patient to staff ratios. Business case presented to increase staffing to meet this demand.
- An action plan will be developed to address poor data regarding psychology support.
- Emergency admission rate is below the national average – this was very good to see, however we will continue to work on improving this through developing and delivering a 'high HbA1c clinic' and structured education program.

Renal Replacement Therapy (UK Renal Registry)

Data are now being submitted through CyberRen. A Renal Information Technology System specifically for kidney services in the UK. It will enable safe clinical care in line with clinical governance and good medical practice; access to data for audit purposes at Trust, Regional and National levels and address Renal Association and National Service Framework standards. Informatics Merseyside is implementing CyberREN into all units on behalf of the Cheshire and Merseyside Kidney Care Network.

2.2.4 Actions arising from Local Clinical Audits

There were a total of 173 local audits registered in the reporting period 1st April 2017 to 31st March 2018. There are 39 (23%) local audits completed. There are 113 (66%) audits that will continue in 2018/19. There are three audits not yet started and 18 audits have been cancelled (11%).

The reports of the completed local clinical audits were reviewed by the provider in the reporting period April 1st 2017 to March 31st 2018 and examples of the outcomes are listed below.

Local Audit	Actions
Patient satisfaction survey for same day ENT pulse oximetry service	<p>The project was discussed and presented at the Alder Hey ENT (Ear, Nose and Throat) Department Clinical Governance meeting in December 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• This study was originally only conducted with one consultant's patients. We have now rolled out the same day pulse oximetry service to another consultant.• Re-audit in 12 months.
Audit to assess if appropriate radiographs are being sent upon referral to the Oral and maxillofacial surgery department for Orthodontic extraction cases.	<p>The audit was presented at the Alder Hey Oral and maxillofacial surgery department post clinic meeting in June 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Ensure we write to all Orthodontic Practices and consultants audited with the results. Remind them of the importance of enclosing all necessary radiographs.• Set up a new trust email address which is verified so that orthodontic practices can directly email across the appropriate images to the department.• Contact the Alder Hey scanning department to see if it is possible to keep the radiographs sent with the referrals and provide them to the OMFS department to sort through so they are not only scanned on but also retained and can be referred to at the patient appointment.• Re-audit in 3 months.
Audit of surgical site infections in patients undergoing appendicectomy.	<p>The audit data were submitted to the National Getting It Right First Time (GIRFT) Surgical site infection audit database.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Data were submitted to the National database for Getting It Right First Time.• Data will be reviewed with similar data from other centres before presentation and change in practice decided.• Continuous data collection till August 2018.
Audit of Quality of Documentation for Paediatric Surgical Patients.	<p>The audit was presented as departmental teaching in September 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Individuals were reminded about the standards required and advised that this would be re-audited.• Re-audit in 3 months.

Local Audit	Actions
<p>Audit of Paediatric Difficult Airway Equipment Availability</p>	<p>The audit is due for presentation as a poster at the Association of Paediatric Anaesthetists Annual Scientific Meeting in May 2018.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none"> • Networking with the airway and paediatric anaesthetic leads in each hospital in the region is required to understand the barriers to adopting a standardised paediatric airway equipment list and a standardised airway trolley layout. • Recommend the adoption of a standardised paediatric airway trolley with a standardised layout and contents list in every hospital in the region. • Re-audit in 12 months.
<p>An audit to assess provision of information provided to patients prior to regional anaesthesia.</p>	<p>The audit was presented at the Alder Hey Anaesthetic department update meeting in September 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none"> • Improve the availability of current information leaflets. • Develop new information leaflet for peripheral nerve block. • Re-audit in 12 months.
<p>Parents feedback of experience of breastfeeding support whilst in Alder Hey</p>	<p>The project was presented at the Alder Hey LiA (Listening into Action) meeting in July 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none"> • Trust policy has been updated with clear guidelines for staff on process to follow when feeding breastfeeding mums. Policy is awaiting ratification. • Also the parents information leaflet has been updated to include this information. • Re-audit in 12 months.
<p>Audit of annual screening tests performed in children with complex nephrotic syndrome.</p>	<p>The audit was discussed in July 2017 and findings presented in the Alder Hey Surgery departmental audit meeting in October 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none"> • Improvement could be made in measuring a number of markers, including Vitamin D, Parathyroid hormone (PTH) and measles serology. • Rationalising blood tests and placing a robust system to ensure they are measured. • Develop Nephrotic syndrome guidance for annual screening. • Re-audit in 2 years.
<p>Audit of MRI (Magnetic Resonance Imaging) Brain investigation ordering and results within the community paediatrics department.</p>	<p>The audit was presented at the Alder Hey Community Paediatrics Departmental meeting in October 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none"> • Update existing guideline. • Re-audit once new guidelines are in place.
<p>Audit of renal biopsy in the renal transplant patient.</p>	<p>The audit was written up in July 2017 with a discussion and presentation at the Alder Hey Renal Unit meeting to be arranged.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none"> • To continue current practice. • Audit confirmed that biopsy was performed for good clinical indication. • Re-audit in 4 years.

Local Audit

Actions

Retrospective Audit of Joint Paediatric Dermatology Gynaecology clinic over a two year period from December 2015 - December 2017.

The audit was presented at the Alder Hey Dermatology Department meeting in March 2018.

Action/Recommendation:

- To continue this Joint Dermatology Gynaecology service going forward.
- To continue auditing the service going forward.
- Audit to be presented at the Merseyside & Cheshire Vulval Society meeting in September 2018.
- Re-audit in 12 months.

Evaluation of staff awareness of breastfeeding support needed to give to parents.

The audit was presented at the Alder Hey Listening into Action (LiA) meeting in July 2017.

Action/Recommendation:

- Improve staff knowledge with the development of a training programme. Plans being discussed around external training, and on E- learning module.
- Policy updated with clear guidelines on storage, administration of breast milk. Awaiting ratification after decision made on implementation of waterless warmers.
- Policy to be cascaded for staff to be aware of how to handle, prepare, store, administer and document breast milk.
- Staff to be made aware of process for feeding mothers and to offer information leaflet on admission.
- Re-audit in 12 months.

Surgical excision of cardiac tumours: 20 year experience at a single institution.

The audit was presented at the Alder Hey Cardiology, Cardiothoracic, and Cardiac anaesthetic team meeting in July 2017.

Action/Recommendation:

- No changes were required as it was an internal audit to monitor the cardiac tumour surgical excision.
- No Re-audit was required as cardiac tumours are very rare.

Audit of Cardiac Arrests on PICU (Paediatric Intensive Care Unit).

The audit was presented to PICU consultants/trainees/nursing/cardiology at the weekly meeting in November 2017.

Action/Recommendation:

- Regular review of cardiac arrests. Aim to improve rates of documentation and standard of documentation in line with Utstein suggested criteria.
 - Production of PCAR form (Paediatric Cardiac Arrest Review) to be presented to consultant group.
 - Re-audit in 12 months.
-

Local Audit

Actions

Audit of the Burns Unit ward based clinic.

The audit was discussed with the ward manager and consultant and all Burns Unit staff have had a copy of results in December 2017.

Action/Recommendation:

- In addition to the patient information leaflet the parents receive we are producing a card to give to the parents.
- The card we are producing details what will happen at the clinic appointment - where the clinic is held, what time to arrive, if they are given medication here, or if the parents administer their child's analgesia at home, when the medication becomes effective, length of time they may expect to spend at the hospital, contact number of clinic/nurses if they have any questions themselves, or to rearrange their child's appointment if they are unable to attend the date and time they have been given.
- No Re-audit required as we feel the detailed cards/information will explain some of the reasons why some patients have a longer clinic time allocation.

Audit of unplanned admission after paediatric day case anaesthesia in UK. (PAPAYA) Paediatric Unplanned Daycase Admissions.

The audit is a part of the national PAPAYA project The data has been submitted to the audit in November 2017 and will have to wait for report/feedback from PATRN. (Paediatric Anaesthesia Trainee Research Network) part of (APA) Association of Paediatric Anaesthetists of Great Britain and Ireland. PAPAYA aim to complete analysis and write up by Autumn 2018.

Action/Recommendation:

- Will discuss in the anaesthetic department audit meeting and present to daycase services/specialties as indicated upon completion.
- Re-audit in 12 months.

A Re-Audit of completion of Routine Outcome Measures, with comparison of results for children with ASD (autistic spectrum disorder) and Neuro-typical children (i.e. children not on the autistic spectrum).

The audit was presented at the Alder Hey CAMHS (Child and Adolescent Mental Health Service) Clinical Governance meeting in January 2018.

Action/Recommendation:

- Consider further study on the comparison of ROMS (Routine Outcome Measures) completion, for children/Young People with ASD and Neuro-typical children.
- Consideration to create a specific ROMS aimed to meet the needs of children/Young People with ASD. E.g. visual prompts, use of electronic devices and take core symptoms into consideration.
- Dissemination of the results. Staff training on the importance of ROMS and how and when to administrate them in order to achieve >90% completion rate.
- Recognition for staff who have achieved high ROMS completion rate.
- Re-audit in 6 months.

Audit of the removal of metalwork from lower limb

The audit was presented at the Alder Hey Orthopaedic department meeting in September 2017. Previously presented at the anaesthetic meeting in March 2017.

Action/Recommendation:

- Daycase pathway in progress for patients not requiring much analgesia post-operation.
- Daycase pathway written for removal of metalwork from lower limb.
- Re-audit in 6 months.

Local Audit

Actions

How often are high ferritin levels associated with serious illness (a retrospective service evaluation of diagnosis in patients with ferritin >10,000 µg/L)	<p>The audit was presented at the Rheumatology department academic meeting in October 2017. The audit will be presented in national meetings (British Society for Rheumatology (BSR) and Royal College of Paediatrics and Child Health (RCPCH) annual meetings) as part of a national audit.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• To contribute towards national guidelines.• To discuss with other specialities including cardiology to increase awareness and provide details of investigations to carry out when highly elevated ferritin level (HEF) is detected.• Update existing training to increase awareness about HEF and link with secondary HLH (a severe and potentially fatal inflammatory condition) and investigations needed.• Re-audit once the revised national guidance is in place.
Audit on the pathway for single ventricle hearts in Alder Hey Children's Hospital	<p>The audit was presented at the Alder Hey Cardiology/Cardiothoracic Department Quality Assurance meeting in November 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• A checklist has been created to be used alongside the current guideline.• Re-audit to compare compliance before and after the addition of the checklist in 12 months.
Audit of the referral pathway for prolonged neonatal jaundice	<p>The audit was presented to the Alder Hey Community team and the Gastroenterology Consultant in January 2018.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Designing a pathway for managing prolonged jaundice in the community and in hospital.• No Re-audit was required as this was a study to see the pattern of actions in the community - designed to help in making a pathway for jaundiced babies.
Audit of boys undergoing emergency scrotal exploration to assess outcome for testis and surgical technique	<p>The audit was presented at the Alder Hey Department of Surgery audit meeting in January 2018.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Possible implementation of a standard technique, pending further data collection.• Re-audit in 12 months.
A survey of patient use of social media for information about Clubfoot	<p>The audit was sent for presentation at the EFORT congress (European Federation of National Associations of Orthopaedics and Traumatology) in January 2018.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Parents should be encouraged to use social media to learn about clubfoot.• Re-audit in 12 months.
Treatment for radial club hand at Alder Hey Children's Hospital. A service evaluation.	<p>The audit was presented at the British Society for Surgery of the Hand (BSSH) Autumn meeting in November 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• To continue the use of this technique, and to consider its use a primary procedure in the future.• A Re-audit could be undertaken, but will require a time gap of 5-6 years.

Local Audit

Actions

ADHD (Attention Deficit Hyperactivity Disorder) prescription audit

The audit was presented at the Alder Hey Community Paediatrics Department meeting in October 2017.

Action/Recommendation:

- To update and disseminate ADHD guidelines,
- Adhere to guidelines.
- To ensure guidelines are readily available to all prescribers.
- To facilitate regular case review and Multi disciplinary Team meetings. In complex cases discuss with the lead clinician for that patch.
- To Re-audit at an agreed timescale with the team.

What is a post tonsillectomy bleed?

The audit was presented at the Alder Hey E.N.T. (Ear, Nose and Throat) Department weekly meeting in November 2017.

Action/Recommendation:

- Update to existing policy to include advice to give post operatively.
- Follow up phone calls for four weeks then repeated after changes to policy.
- Re-audit in 1 month.

Audit of blood loss during scoliosis correction in Duchenne Muscular Dystrophy.

The audit was discussed with the senior author in January 2018. A date for presentation is to be confirmed at the Alder Hey Department of Surgery local Mortality and Morbidity meeting.

Action/Recommendation:

- Continue current practice.
- No changes to practice needed as there was no change in primary outcome measure.
- Re-audit in 5-10 years (extremely low volume of patients make it difficult to obtain significant numbers for analysis).

Service Evaluation of Dental Treatment done as a 'piggyback'.

The audit was presented at the Alder Hey Department of Paediatric Dentistry governance meeting in March 2018.

Action/Recommendation:

- Appropriate radiographs to be obtained to aid assessment. Justification for absence of radiographs should be recorded.
- Patients identified for piggyback should have the consent process started at the time of assessment and treatment planning.
- All patients for piggyback dental treatment to be assessed by appropriate staff.
- Follow up and preventative care arranged for all patients.
- Prospective Re-audit in 3 months after dissemination of findings.

Local Audit

Actions

Emollient and bath pack re-audit	<p>The audit was presented to the Regional Dermatology meeting in January 2018.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Continue to produce emollient pack, evolve in line with new products/research where available.• Possibly add urea based cream.• Liaise with pharmacology to ensure cost effective prescribing where possible.• Reinforce education with patients/parents regarding emollient types, application technique and volumes to apply.• Ensure letters to GP (General Practitioner) detail the importance of keeping patients stocked with emollient that suits them, and outline how much they should need.• No Re-audit required.
Audit of the use of dexamethasone (a type of corticosteroid medication) for extubation on PICU. (Paediatric Intensive Care Unit).	<p>The audit was presented to the educational supervisor in January 2018. Abstract submitted to conference.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Development and implementation of an extubation pro-forma for use in PICU.• Completion of a further audit using the pro-forma.• Develop a guideline to rationalise the use of dexamethasone during extubation.• No Re-audit required until guideline developed.
Audit of plaster cast wedging for lower limb fractures	<p>The audit was presented at the Alder Hey Orthopaedic departmental meeting in February 2018.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Cast wedging should now not be performed after 10 days post injury due to lack of benefit.• Dissemination of information to plaster technicians and orthopaedic department to make them aware of new practice.• Guideline to be drawn up.• Re-audit in 2-3 years when sufficient numbers have been achieved.
Pattern of paediatric vestibular referrals and the use of the video head impulse test in the paediatric population (new technology which can be used to investigate dizziness and balance malfunction)	<p>The audit was presented at the British Association of Audiovestibular Physicians National Audit meeting, Queen's Square, London in November 2017.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• Engage a wider audience for raising awareness about paediatric vestibular disorders and disseminate training in the video head impulse test.• More engagement with professional colleagues especially G.Ps (General Practitioners).• Continue with video head impulse test.• Re-audit in 18 months.
Audit of theatre turn over times.	<p>The audit was presented at the Alder Hey Department of Surgery Quality Improvement meeting in November 2016.</p> <p>Action/Recommendation:</p> <ul style="list-style-type: none">• No action plan was required for this audit.• Re-audit in 6 months.

Local Audit

Actions

Retrospective audit looking at timing from clinician review to arrival in anaesthetic room in daycase, specifically comparing first patient on list to subsequent patients

The audit was presented at the Alder Hey Department of Surgery in December 2017.

Action/Recommendation:

- A pre 9 a.m. start for the first patient on the list should be possible if clinician review can be done in an expeditious manner.
- Reduced pre-operative wait times have been maintained in the new daycase unit. These details will be fed back to the daycase departmental managers for circulation.
- Re-audit in June 2018, following all medical student placements we will be able to re-audit daycase start times from September to June allowing us to look at seasonal variation.

Audit of aortopexy and vascular ring surgery in paediatric patients at Alder Hey

The audit was presented to the Alder Hey ENT (Ear, Nose & Throat) Department consultant and disseminated to the cardiothoracic consultants in January 2018.

Action/Recommendation:

- No significant issues arose from the audit. Results hold up well when viewed alongside those in published literature.
- No changes were required as consolidated existing practice.
- Re-audit in 5 years (infrequently performed procedure).

Audit of genetic testing in neonatal CHD. (Coronary heart disease)

The audit was presented at the Alder Hey monthly Cardiology and Cardiac surgery meeting in January 2018.

Action/Recommendation:

- Keep the same protocol for genetic testing, reinforce the guidelines.
- Do not order microarray if not indicated by the protocol.
- The consultants will be informed of the audit results and reminded to follow the protocol. No other action needed.
- Re-audit in 12 months.

Post PEG insertion care - completeness of the PEG (Percutaneous endoscopic gastrostomy) pathway form.

The audit was presented to the Alder Hey Gastroenterology Department weekly meeting in March 2018.

Action/Recommendation:

- Digitisation of PEG pathway. Simplifying form as part of digitising process in GDE (Global Digital Excellence).
- Specialist nurses to update risk register in regards to low levels of sign off for parents/guardians of PEGs.
- Stoma nurse will continue to stress importance of parental sign off.
- Discharging clinicians to ensure sign off is complete before discharge
- To Re-audit digitised pathway once available (GDE will automatically do this so it will be an ongoing prospective audit.

Local Audit

Has the introduction of Plasmalyte as the routine IV (Intravenous) maintenance fluid therapy reduced the risk of iatrogenic metabolic disturbances? (Disruption to the normal metabolic processes following medical intervention)

Actions

The audit was presented to the Alder Hey Pharmacy Department lunchtime meeting in April 2018.

Action/Recommendation:

- Feed results back to a wider range of healthcare professionals involved in the switch to Plasmalyte.
- Update existing training to emphasise the importance of using fluid guidelines.
- No changes to practice are required as Plasmalyte has been well received by prescribers and patients and can continue to be prescribed.
- Further audit required to look at other electrolytes as a result of the switch to Plasmalyte
- Re-audit in 12 months.

2.2.5 Participation in Clinical Research 2017/18

The number of patients receiving NHS services provided or subcontracted by Alder Hey Children's NHS Foundation Trust in 2017/18 that were recruited to participate in NIHR Portfolio adopted clinical research was 9,184, the largest number in Alder Hey history.

All research is governed by the EU Clinical Trial Directive, UK ethics committees and the Trusts Clinical Research Division who carry out safety and quality checks to provide organisational permission. This is a highly robust mechanism that ensures oversight of every research study in the organisation.

International Research, Education and Innovation is one of the Trust's four strategic pillars and as such elicits full support of the Board of Directors. All three areas are undergoing expansion and the creation of the Alder Hey Academy will further link research with education. Furthermore, the Alder Hey/University of Liverpool refreshed ten year research strategy states that "Every child (should be) offered the opportunity to participate in a research study / clinical trial". The strategy is patient focused and supports research from all disciplines. The Trust is a member of Liverpool Health Partners (LHP), a consortium of seven hospitals, the University of Liverpool and the Liverpool School of Tropical Medicine working together to provide a world class environment for research and health education across a regional footprint. As a significant stakeholder in LHP, Alder Hey demonstrates a strong commitment to contributing to evidence-based, cutting edge healthcare aimed at improving quality of care whilst holding patient safety, dignity and respect at the centre of everything we do. A clinical research review for Liverpool Health Partners took place in 2018 that made several recommendations and Alder Hey has a strong influence over this and the emergent strategy for child health.

One of the main strengths of Liverpool is that of pharmacology – developing better safer medicines for children and young people and contributing to the personalised medicine agenda. LHP is developing an Industry Gateway Office that will boost the region's ability to conduct more research into new medicines. Being an organisation undertaking high quality patient centred research means that Alder Hey contributes to the health and wealth of Liverpool and the UK as a whole as well as having an international impact on treatments developed for children. The infrastructure of expertise available at Alder Hey for setting up and successfully delivering clinical research is led and managed by a dedicated team who form the Clinical Research Division (CRD). The CRD employs 40 research nurses, supports approximately 260 studies at any one time and rigorously manages performance to ensure high quality delivery to time and target. Alder Hey has an excellent track record of recruiting the first patient globally to clinical trials, demonstrating that the organisation is at the forefront of drug development in paediatrics. Over the last 10 years Alder Hey has achieved this for 16 of its patients.

Our clinical staff and associated academics lead and contribute to studies of the latest and newest treatment options, genetic profiling of diseases and research looking at drug safety including adverse drug reactions (side effects).

Alder Hey was involved in recruiting patients to 152 open, non-commercial NIHR portfolio adopted clinical research studies, 37 commercial trials and 29 non-portfolio studies during 2017/18, which is significant for a Trust of its size. Whilst some studies report outcomes fairly quickly most will not be ready for publication for a few years. The majority were research in the area of medical specialties reflecting the prevalence of available research studies locally and nationally.

01/04/2017 to 31/03/2018

	NIHR Studies	Number of Participants	Non-NIHR Studies	Number of Participants
SG1 (Oncology, Haematology, Palliative Care)	33	118	9	2
SG2 Nephrology, Rheumatology, Gastroenterology, Endocrinology, Dietetics)	36	349	10	29
SG3 (Respiratory, Infectious Diseases, Allergy, Immunology, Metabolic Diseases)	24	7460	3	0
SG4 (A&E, General Paediatrics, Diabetes, Dermatology, CFS/ME)	10	568	3	0
SG5 (CAMHS Tier 3 & 4, Psychological Services and Dewi Jones)	6	34	1	0
SG6 (Community Child Health, Safeguarding, Social Work Dept., Community Clinics, Neurodisability Education, Fostering, Adoption, Audiology)	1	0	3	0
SG7 (PICU, HDU, Burns)	3	53	3	0
SG8 (Theatres, Daycase Unit, Anaesthetics, Pain Control)	1	0	0	0
SG9 (General Surgery, Urology, Gynaecology, Neonatal)	10	33	0	0
SG10 (Cardiology, Cardiac Surgery)	0	0	0	0
SG11 (Orthopaedics, Plastics)	3	132	3	0
SG12 (Neurology, Neurosurgery, Craniofacial, Long Term Ventilation)	20	90	6	0
SG13 (Specialist Surgery, Ear Nose and Throat, Cleft Lip and Palate, Ophthalmology, Maxillofacial, Dentistry, Orthodontics)	6	70	0	0
SS1 (Radiology)	0	0	0	0
SS2 (Pathology)	0	0	0	0
SS3 (Pharmacy)	0	0	0	0
SS4 (Therapies, EBME, Central Admissions, Bed Management, Medical Records, Generic Outpatients)	0	0	0	0
NON-CBU	3	0	2	0
CNRU	0	0	1	0
Non Classified	3	5	1	0
TOTAL	169	9139	74	169

The Quality Account deals with research activity during the 2017/18 period. In addition to this, the CRD published performance data on the Trust website indicating the time it takes to set up a study and the time taken to recruit the first patient once all permissions have been granted. Over 80% of studies conducted at Alder Hey recruit the agreed number of patients within a set timeframe (76% for commercial research).

In September 2012 Alder Hey opened a National Institute for Health Research Clinical Research Facility (CRF). This was a capital project supported with investment from the Trust and is a clinical area utilised purely for research patients providing a dedicated research environment. This resource helps facilitate research by providing a bespoke location for research on a day to day basis and has successfully been used to care for research participants overnight who need regular intervention or tests on a 24 hour basis. One of the many advantages of having a fully operational CRF is that it will enable investigators to not only undertake later phase research studies but also to undertake more complex and earlier phase studies (Experimental Medicine types of activity) dealing with developing new cutting edge medicines and technologies which are often lacking in children's healthcare. This has become the main focus of the CRF over the last few years. The CRF will lead to improvement in patient health outcomes in Alder Hey demonstrating a clear commitment to clinical research which will lead to better treatments for patients and excellence in patient experience. The CRF has been awarded a new five year contract to expand early phase and experimental research through to 2022. In 2017 the new award was triggered and the appointment of several new roles is underway that will increase the CRF's profile and capacity to attract more business.

There were over 350 members of clinical staff participating in research approved by a research ethics committee at Alder Hey during 2017/18. These included consultants, nurse specialists, pharmacists, scientists, clinical support staff and research nurses from across all Clinical Business Units.

Over the past four years the Trust has witnessed a growth in commercially sponsored studies. There are over 30 commercial studies open to recruitment at any one time and much focus on the use of novel monoclonal antibodies (mAbS) or disease modifiers. mAbS have been used primarily in Rheumatology and Oncology but are becoming available in other sub-specialties such as Respiratory Medicine and Diabetes. They work by acting on the immune system to overcome the cause of the disease rather than treating the symptoms. Significant quality of life improvements have been witnessed, particularly in rheumatology

patients treated with mAbS leading to increased mobility and a reduction in pain and inflammation. These drugs are now being licensed for use in children for the first time ever. Duchenne Muscular Dystrophy research has grown significantly with new compounds being developed that address the root cause of the disease. Alder Hey has been selected as one of three centres of excellence in England for DMD research and two patients with DMD have been global firsts. The Trust has an established critical mass of research activity in Pharmacology, Oncology, Rheumatology, Infectious Diseases, Respiratory, Endocrinology/ Diabetes, Critical Care and Neurosciences but is witnessing a growth in research activity in Gastroenterology, General and Neuro Surgery, Nephrology, Emergency Medicine and Community Paediatrics. The Trust has recently been successful in its application to be a Cystic Fibrosis Clinical Trials Accelerator and will receive 3 years funding to employ a part time trial co-ordinator dedicated to CF research. Both of these initiatives are up and running.

Innovation projects such as those developing devices are also now supported by the CRBU. This is the beginning of research and innovation coming together to share expertise and to maximise engagement with small medium UK enterprises and large global companies. There are 3 devices under development and these will use the hospital environment and its patients to test prototypes.

For more information on the research portfolio at Alder Hey please visit www.alderhey.nhs.uk/research



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

A proportion of Alder Hey Children's NHS Foundation Trust's income in 2017/18 was conditional on achieving quality improvement and innovation (CQUIN) goals agreed between Alder Hey and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services through the Commissioning for Quality and Innovation payment framework. During 2017/18, these commissioning bodies were Liverpool CCG and consortia North West CCG partners for non-specialist services and NHS England for specialist services.

For 2017/18 the baseline value of CQUIN was £3.4 million which was 2.0% of our NHS England and CCG contract. This means that if Alder Hey did not achieve an agreed quality goal, a percentage of the total CQUIN money would be withheld. For 2017/18, Alder Hey expects to receive 97.2% CCG contract CQUIN money, with the amount withheld reflective of failure to deliver full compliance with part 2b of the sepsis CQUIN for Quarters 1-4. The Trust has agreed a contract settlement with NHS England within which no money was withheld for CQUIN failed targets. However there are a number of NHS England CQUIN targets which carry significant risk that will need to be managed in 2018/19.

The tables below reflect the position as at Quarter 3, as the Quarter 4 position is not fully validated at the time of publication, although this is not expected to change in Quarter 4.

National / Local Commissioner CQUINs 2017/18

Indicator	Indicator Description	Target	Weighting	Financial Value	Quarter 3 Performance
Health & Wellbeing	a. Improvement of health & wellbeing of NHS staff	5% point improvement in 2 out of 3 staff survey questions	0.083%	£39,047	To be evaluated in Quarter 4
	b. Healthy food for NHS staff, visitors & patients	Introduce required healthy food changes	0.083%	£39,047	To be evaluated in Quarter 4
	c. Improving the uptake of flu vaccinations in frontline clinical staff	70% front line clinical staff vaccinated	0.083%	£39,047	To be evaluated in Quarter 4
AMR & Sepsis	a. Timely identification of sepsis in ED and acute inpatient setting	90%	0.063%	£29,285	Achieved
	b. Timely treatment of sepsis in ED and acute inpatient settings	90%	0.063%	£29,285	Partially achieved
	c. Antibiotic review	90% cases in review	0.063%	£29,285	Achieved
	d. Reduction in antibiotic consumption per 1,000 admissions	Reduction	0.063%	£29,285	Achieved
Advice & Guidance	Set up & operate A&G services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients in to secondary care	Submit reports	0.25%	£117,140	Achieved

Indicator	Indicator Description	Target	Weighting	Financial Value	Quarter 3 Performance
e-referrals	Make services and outpatient appointments for GP referrals to available on the NHS e-Referral Service.	Submit reports	0.25%	£117,140	Achieved
Improving services for people with mental health needs who present to A&E		Submit reports	0.25%	£117,140	Achieved
Transitions out of Children and Young People's Mental Health Services		Submit reports	0.25%	£117,140	Achieved

NHSE North West Specialist Commissioner CQUINs 2017/18

Indicator	Target	Weighting	Financial Value	Quarter 3 Performance
Clinical Utilisation Review	Submit quarterly report	0.94%	£945,000	Fully achieved
Haemtrack – Patient home monitoring	Patient Participation Submit reports	0.074%	£74,000	Fully achieved
Haemoglobinopathy Improving Pathways through Operational Delivery Networks	Participation in ODN	0.15%	£150,000	Fully achieved
Medicines Optimisation	Submit report	0.1%	£99,000	Fully achieved
Paediatric Networked Care	Assess compliance with minimum data set and submit report	0.21%	£210,000	To be assessed in Quarter 4
Planned Transition to Adult Services for patients with Complex Neurodisability	Submit report	0.37%	£371,258	Fully achieved
Locally priced Service Redesign and Clinical Practice Benchmarking	To be confirmed	0.15%	£150,000	To be assessed in Quarter 4

2.2.7 Statements from the Care Quality Commission (CQC)

Alder Hey is required to register with the Care Quality Commission and its current registration is in place for the following regulated activities: diagnostic and screening procedures, surgical procedures, treatment of disease, disorder or injury and assessment or medical treatment for persons detained under the 1983 Act. Alder Hey remains registered without conditions.

The Care Quality Commission has not taken any enforcement action against Alder Hey during 2017/18.

CQC undertook a national thematic review of CAMH services, focusing on 10 sites across the country, of which Liverpool was one. Alder Hey in collaboration with partner agencies took part in this review which found:

- Knowledge of the pathways amongst GPs and A&E Departments needs to be developed via the partnership
- The myriad of entry points to the pathway are not always clear to all referrers and it may be confusing what the role and function of each partner is
- All partners need to ensure their websites and published 'offers' are valid and current. There was evidence however of partnership agreements being developed.
- There are opportunities for more seamless contracting arrangements across the partnership
- Data sharing and multiple systems that don't speak to each other was seen as problematic although it was acknowledged that there is a commitment to develop this and evidence such as data sharing agreements in place
- Funding challenges were acknowledged and noted
- Website excellent source of information however needs more promotion across all partners in the city.

In response to the national report, Alder Hey has suggested strengthening the governance and contracting arrangements for the Liverpool partnership and is keen to play a lead role in this.

Alder Hey received an unannounced inspection of three of its core services in April 2017 – Community CAMHS, Surgical care and Medicine – together with a well led review. The reports resulting from this inspection were published in October 2017 and the Trust developed a detailed action plan in response to the recommendations. This plan has been monitored on a monthly basis by the Trust's Clinical Quality Assurance Committee and Integrated Governance Committee.

The Trust received a short notice inspection one core service – Community paediatrics – and an unannounced inspection of four other core services – Critical Care, End of Life, Outpatients and Diagnostics – in February 2018. It also underwent a comprehensive well led review. The outcome of this inspection is awaited.

Outstanding Care

Overall Good	Safe	Good ●
	Effective	Good ●
	Caring	Outstanding ☆
	Responsive	Good ●
	Well-Led	Good ●

2.2.8 Data Quality

Alder Hey Children's NHS Foundation Trust submitted records during 2017/18 to the Secondary Users Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included patient's valid NHS Number was:

- 99.9% for admitted patient care;
- 100 % for outpatient care;
- 99.7% for accident and emergency care.

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

- 100% for admitted patient care
- 99.9% for outpatient care;
- 100% for accident and emergency care

Alder Hey Children's NHS Foundation Trust will be taking the following actions to improve data quality:

- A suite of data quality reports will continue to be run daily and weekly to ensure data is monitored and corrected where necessary.
- Ongoing work is monitored by the Data Quality Steering Group which meets monthly
- Continue to work closely with the Information Department to identify any data issues or areas of data weakness, which will be investigated and remedial action agreed.
- The Data Quality policy has been updated to include escalation process for "repeat offenders" who continue to make mistakes when recording data

- A Data Quality dashboard is embedded within our Data Quality Process which includes key data items from throughout the patient pathway, to monitor data quality and facilitate improvement
- Workshops and refresher training sessions arranged to ensure staff are fully aware of the importance of Data Quality and the integrity of the data is accurate at source
- The annual audit plan has covered a number of patient checks including
 - A&E waiting times
 - Demographic changes
 - Missing NHS numbers
 - 18 weeks Referral to Treatment (RTT) & Outcomes
 - Duplicate registrations
 - Ethnicity monitoring
 - Pathway starts
 - GP checks

2.2.9 Information Governance (IG) Toolkit Attainment Levels

Alder Hey's Information Governance Assessment Report overall score for 2017/18 was 76% and was graded as 'satisfactory' (green). Additionally, the Trust's internal auditors assessed compliance with the IG Toolkit and reported 'significant assurance'.

2.2.10 Clinical Coding Error Rate

Alder Hey Children's NHS Foundation Trust was required to undertake an Information Governance Toolkit audit during the reporting period; the error rates reported in the latest published audit for that period for diagnoses and treatment coding, i.e. clinical coding, were:

- Primary Diagnoses Incorrect 4.5%
- Secondary Diagnoses Incorrect 19%
- Primary Procedures Incorrect 7%
- Secondary Procedures Incorrect 10%

The results should not be extrapolated further than the actual sample audited and the services audited during this period included:

- 200 Random Finished consultant episodes

2.2.11 Learning from Deaths

During the period 1st April 2017 to 31st March 2018, 65 inpatients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 18 in the first quarter;
- 16 in the second quarter;

- 17 in the third quarter;
- 14 in the fourth quarter.

By 1st April 2018, 39 case record reviews and two investigations have been carried out in relation to the 65 deaths included in the previous paragraph. Whilst many adult trusts only conduct mortality reviews on cases where deaths are unexpected or flagged through an incident, it is the policy of Alder Hey that all inpatient deaths are reviewed.

In two cases a death was subject to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 18 in the first quarter;
- 14 in the second quarter;
- 7 in the third quarter;
- 0 in the fourth quarter (due to be completed in the coming period)

None (representing 0%) of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

These numbers have been estimated using the mortality review process established in Alder Hey Children's NHS Foundation Trust. Every child that dies in the Trust has a Hospital Mortality Group review (a group consisting of professionals from across the Trust and specialties) and usually at least one departmental review prior to this.

Although there were no avoidable deaths in the reporting period over this time, that have been reviewed so far, the Trust has continued to learn from our mortality process and instituted appropriate changes (even though the issue addressed by the change was not thought to have contributed to the patient's death). In our process, we also identify external factors impacting on the children who then die in the Trust. As part of its process, the Hospital Mortality Review Group identifies children who, with early intervention or education, may not have died. Of course, such factors are also examined by multi-agency Child Death Overview Panels (CDOP). External factors impacting on children that then die at Alder Hey include external traumatic incidents which could have been avoided (in which circumstances the conclusion of HMRG is that death could have been prevented). This is classed as an example of a 'potentially modifiable factor'. This is also highlighted by co-sleeping resulting in a SUDI (sudden unexplained death of an infant). There is currently a campaign ongoing in Merseyside highlighting the risks of co-sleeping that should impact on the SUDI presentations

One example was identifying a higher number of unstable neonates being transferred from one of our referring hospitals and concluding that some transfers did not benefit the patient, who could have remained in the local hospital with the family support network readily available. We communicated this to the regional neonatal network and to the surgical team to ensure all relevant questions are asked so that the family receives the best care in the right place, which might be in the local hospital.

We have ensured that our major focus on sepsis continued into the mortality reviews and that information was available to inform our quality improvement programme for sepsis. The early identification and treatment of sepsis is a Trust priority and we have established a sepsis working group to oversee the rollout of an electronic sepsis pathway across the Trust with associated teaching. The sepsis pathway is continually being reviewed and adapted to fulfill its aims. There are multiple prompts on the electronic system used in the Trust to ensure that sepsis is considered. The use of the sepsis pathway is audited monthly and any children that have been identified with sepsis with the pathway not completed are highlighted. Following feedback, the electronic system now ensures that all the vital signs must be recorded so the PEWS is automatically calculated identifying the more unwell children. This should result in a more rapid response to changes in the child's condition. There is clear guidance for escalating concerns and the nursing team is empowered to raise their concerns further if not receiving the required response from more junior members of the medical team.

We were also able to bolster senior clinical leadership on the High Dependency Unit for longer hours each day. The HDU clinical leadership is now clearly defined with the HDU consultant accepting and reviewing referrals between 0900 and 1700 and the General Paediatric consultant between 1700-2200. Overnight, the senior medical doctor on site provides cover, with readily accessible phone advice from the consultant on call.

We also ensured that the early warning (PEWS) system was adapted more precisely for cardiac patients.

2.3 REPORTING AGAINST CORE INDICATORS

The Trust is required to report performance against a core set of indicators using data made available to the Trust by NHS Digital

For each indicator the number, percentage, value, score or rate (as applicable) is presented in the table at Appendix 1. In addition, where the required data is

made available by NHS Digital, a comparison of the numbers, percentages, values, scores or rates of each indicator is made, with:

- The national average for the same
- Those NHS Trusts with the highest and lowest for the same

PART 3: OTHER INFORMATION – QUALITY PERFORMANCE IN 2017/18

3.1 QUALITY PERFORMANCE

This section provides an update on the Trust's quality performance during 2017/18, including progress against the priorities identified in the previous quality report, plus an update on specific indicators under patient safety, clinical effectiveness and patient experience.

The Medical Director and Chief Nurse are jointly responsible at Board level for leading the quality agenda within the Trust, supported by the Director of Nursing, Deputy Director of Nursing and Associate Director of Risk and Governance. In addition, the Board appointed two Directors of Transformation and Clinical Effectiveness from among the consultant body during the year to strengthen the team leading the Trust's Quality Improvement agenda.

The Trust continues to maintain a strong focus on the delivery of the highest quality care with outstanding examples of clinical and non-clinical excellence. In 2017/18 we reviewed our overall Trust strategy and captured the outputs in a clear, simplified, eye-catching way, which is now extensively displayed throughout the Trust and is widely recognised by staff, thereby ensuring clarity of the Trust vision to deliver 'a healthier future for children and young people' (see Appendix 2). In addition, whilst maintaining the underpinning principles of the quality strategy that 'patients will not suffer harm in our care', 'patients will receive the most effective evidence based care', and 'patients will have the best possible experience', we have re-appraised our quality strategy and developed an updated draft quality improvement plan which forms the focus of the quality priorities for the coming year and will be the focus of a Quality Summit in May 2018, where teams of staff and parents / patients will work together to finalise our quality improvement plans for 2018/19.

2017/18 has been a strong year in terms of quality performance with the strengthening of governance arrangements, including a further embedding of the model of devolved governance giving greater ownership of local quality related matters and resulting

in improved ward to board reporting of risk, incident reporting, and shared learning.

Staff are well settled into the new hospital building and are becoming increasingly satisfied with their working life which is reflected in the 2017 staff survey, which shows many areas of significant improvement compared to the previous year. We have continued to employ Listening into Action as a key enabler for staff involvement in resolving local issues and making local improvements, with excellent results in many areas. We have also maintained other avenues for staff to raise any issues or areas of concern they may have through our 'Raise it, Change it' mechanism or through direct contact with one of our 'Freedom To Speak Up' champions.

We continue to work closely with children and families to make ongoing improvements and will place a particular focus during the coming year on further developing a culture of continuous quality improvement and on involving children and families in the co-design of improvements.

3.2 SIGN UP TO SAFETY

Sign up to Safety is a national patient safety campaign whose vision is for the whole NHS to become the safest healthcare system in the world, aiming to deliver harm

free care for every, patient every time. The campaign was launched on 24th June 2014 with an ambition of halving avoidable harm in the NHS over a three year period and saving 6,000 lives as a result. As an organisation committed to improving patient safety, Alder Hey Children's NHS Foundation Trust joined the Sign up to Safety campaign and developed a Trust Wide Safety Improvement Plan with specific improvement outcomes as highlighted in the previous quality report. The aim is that by March 2018, against a 2014/15 baseline, we will:

- Achieve no never events year on year
- Reduce all avoidable harm by 30%
- Reduce avoidable moderate, severe harm or death by 50%
- Achieve a 95% patient satisfaction score

In this final year of the Sign up to Safety campaign, the Trust has shown great progress against most of the extremely challenging targets declared in our Safety Improvement Plan. We are proud to be able to demonstrate improvements and contribute to saving lives over the three years of the campaign. Progress against each of the individual elements of the Sign up to Safety campaign is reflected in separate sections below as part of the Trust's quality performance declarations.

3.3 KEY PRIORITIES FOR IMPROVEMENT IN QUALITY 2017/18

The key quality priorities set out for 2017/18 are summarised in the table below. The following sections describe the progress made in these areas throughout the year.

	Quality Domain	Priority Area
Aim 1	Patients will not suffer harm in our care	<i>Further embed a safety culture throughout the organisation</i>
Aim 2	Patients will have the best possible experience	<i>Increase engagement of children, young people & families in improving quality and developing services</i>
Aim 3	Patients will receive the most effective evidence based care	<i>Increase number of defined clinical care pathways across our clinical specialties</i>
Aim 4	Improve workforce health & wellbeing	<i>Provide support that will enable our staff to feel valued and respected by the organisation and actively contribute to the organisation's success</i>
Aim 5	Our environment will enable us to deliver an excellent service	<i>Continue to improve the environment to make it work for both patients and staff</i>

3.3.1 PRIORITY 1 – Further Embed a Safety Culture throughout the Organisation

The Trust identified a specific priority to maintain our strong and growing safety culture by putting specific attention into prompt recognition and treatment of deteriorating patients, including implementation of the sepsis pathway and into reducing hospital acquired infections. A high level of incident reporting to the National Reporting and Learning System (NRLS) is also recognised as an indicator of a high safety culture

In striving to deliver this priority, the Trust agreed to place a specific focus on:

- Remain in top quartile of number of incidents reported through NRLS compared with peer trusts
- Prompt recognition and treatment of deteriorating patients including implementation of the sepsis pathway
- Reducing hospital acquired infections

Remain in top quartile of number of incidents reported through NRLS compared with peer trusts

Aim: To maintain a high level of incident reporting in a culture of openness and willingness to learn

Targets:

1. Remain in the top quartile of number of incidents reported compared with acute specialist trusts.

Outcomes - 2017/18:

1. Alder Hey is the third highest reporter of incidents maintaining its position in the top quartile.
2. Further increase in reported incidents in 2017/18.

Data source: NRLS website – March 2018

A high degree of focus has been placed on incident reporting within the Trust, with a higher reporting of incidents, particularly no harm and near miss incidents, being indicative of a strong safety culture, with a willingness to be open and learn from mistakes. The latest report from National Reporting and Learning System (NRLS) shows that for the period 1st April 2017 to 30th September 2017, Alder Hey was the third highest reporter of incidents amongst its peer group of acute specialist trusts. We are also the highest reporter of incidents amongst all paediatric trusts.



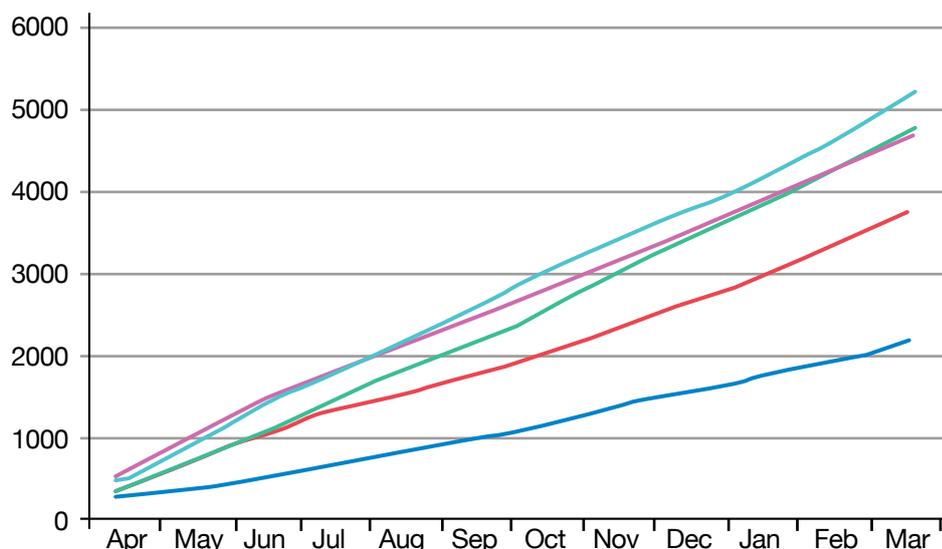
Improvements

- Weekly meeting of harm assurance action log, demonstrating assurance of patient safety improvements.
- Governance and Quality assurance intranet site now available for all staff which includes, national and local guidance on management of incidents including serious incidents, sharing lessons learned from incidents, investigation reports and action for improvement, safety notices etc.
- Development of ‘Step by step guides’ for the management of incidents via the electronic risk management system.
- Safety alerts shared Trust wide to ensure learning and minimise patient safety risks.
- Lessons learned bulletins shared with all staff promoting learning and continuous improvements in patient safety.
- Human factors training in theatres.
- Maintained mechanisms of feeding back reports to staff, for example see ‘theatre monthly incident’ summary sheet (overleaf).

Future Plans

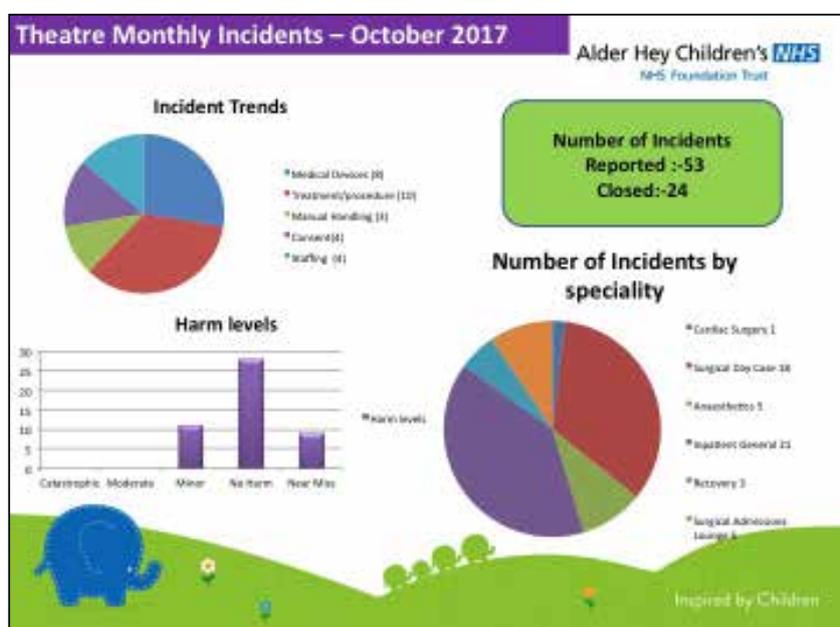
- Multidisciplinary half day ‘lessons learned’ events
- Combined RCA and Human Factors training
- E-learning incident management training package

Clinical Incidents Reported 2013/14 to 2017/18



Graph shows year on year increase in incident reporting 2017/18

- 2013/14
- 2014/15
- 2015/16
- 2016/17
- 2017/18



Prompt Recognition and Treatment of Deteriorating Patients Including Implementation of the Sepsis Pathway

Aim: To embed the question “Are you concerned this child has sepsis?” in our routine clinical practice

Targets:

1. Develop and roll out a sepsis pathway to all our inpatient wards and Emergency Department (ED).
2. Deliver sepsis training to nursing and clinical staff based within Alder Hey.
3. Submit against the CQUIN for 2017/18

Outcomes - 2017/18:

1. 100% of inpatient and ED screened for sepsis.
2. Development of an electronic sepsis pathway.
3. CQUIN submission for Q1-3 of £56k (£66k max).
4. Average time to antibiotic administration for Inpatients 47 mins (Jul17 – Feb18) and ED 64 mins (Jul17 – Feb18).

Sepsis is life-threatening infection when it affects the function of an organ or body system and is caused by a dysregulated response by the body’s own defences. Those with ‘septic shock’ are unable to maintain a normal blood pressure without critical care support. Sepsis and septic shock affect children and adults and are major causes of death and lasting complications in those that survive.

The priority was to improve the quality of care provided by the Trust in a condition that carries a high morbidity and mortality.

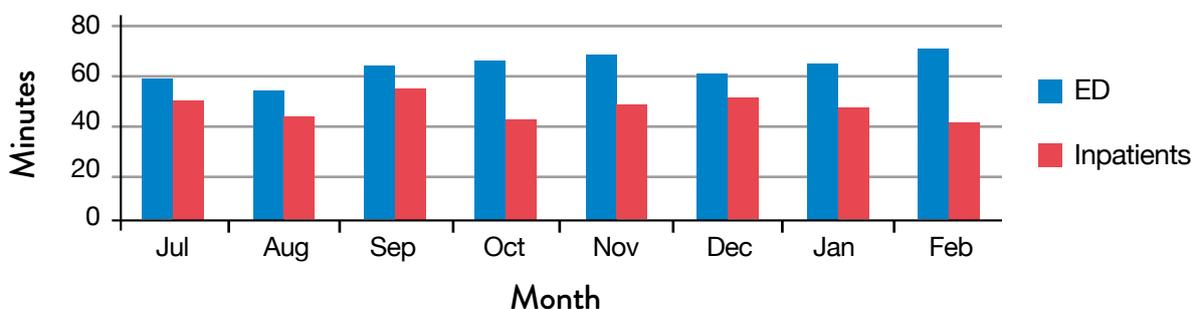
Improvements in 2017/18

- Developed electronic sepsis pathway
- All ED and inpatient ward nursing staff (excluding Paediatric Intensive Care Unit - PICU) were trained and the new sepsis pathway was implemented.
- Enhanced, earlier recognition of children at high risk of sepsis in ED and on the inpatient wards
- More timely provision of effective treatment for likely sepsis
- Consequent likely reduction in morbidity and mortality
- Improved education and training for nurses and doctors in managing sepsis
- Compliance with NICE guidance on sepsis management
- High quality informatics enabling identification of blocks to rapid, efficient care and allowing feedback to individuals and teams to improve service delivery
- Established a Sepsis Team – 1.5 Specialist Nurses and 2 clinical leads.
- Developed an e-Learning package to be rolled out in 2018/19.
- World Sepsis Day awareness session in the Trust.

Future Plans 2018/19

- Roll out of sepsis training to the community setting.
- Reviewing the pathways for non-acute setting.
- Launch the e-Learning package for 2018/19.
- Development of an enhanced IT offer that should facilitate improved clinical management and audit of data.

Average Time to Administration of Antibiotics



Reducing Hospital Acquired Infections - Sign Up To Safety Pledge

Aim: By March 2018, reduce avoidable harm due to hospital acquired infection by 50%.

Targets: From the 2014/15 baseline:

1. No hospital acquired MRSA bacteraemia
2. No Clostridium difficile infections due to lapses in care
3. Reduce the number of hospital acquired infections by 50% from the 2014/15 baseline of 147; this represents 74 infections

Outcomes - 2017/18:

1. 4 x MRSA bacteraemia
2. 1 x Clostridium difficile infection
3. 46% decrease in the number of hospital acquired infections: this represents 80

Data source – corporate report April 2018

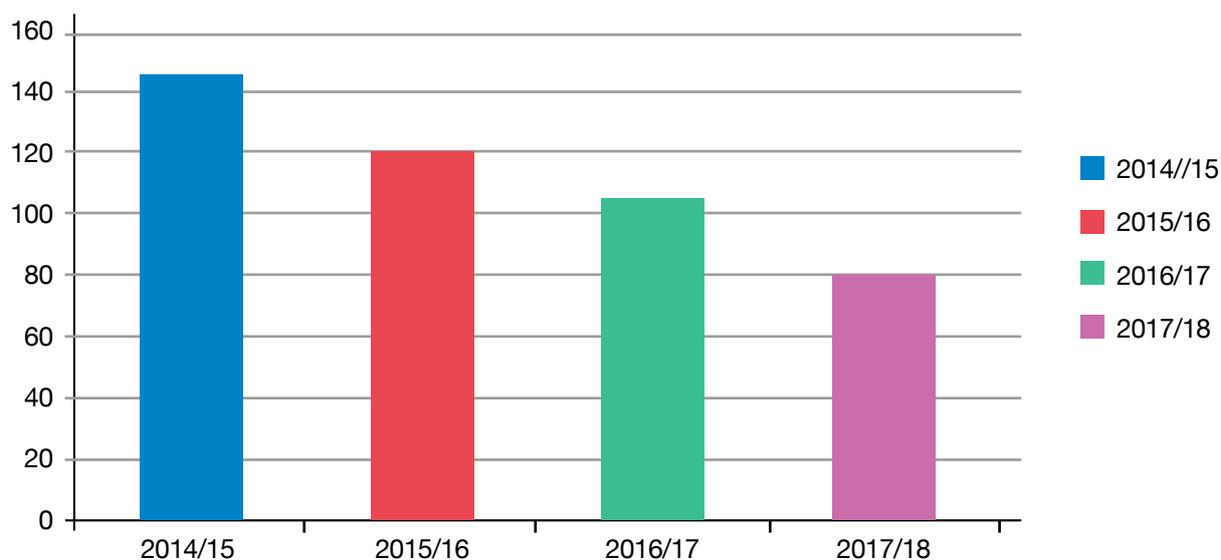
Effective infection prevention and Control (IP&C) practice is essential to ensure that patients receive safe and effective care. In order to provide the best possible outcome for the children in our care it is vitally important that we identify and manage all infections that affect our children and young people to reduce the risk of healthcare acquired infection. Children and young people can present unique IP&C challenges, such as:

- They are susceptible to infections, which are preventable by vaccination.
- They have closer contact with other visitors such as parents and siblings.
- Their poor hygiene practices present more opportunities for infection to spread.
- They may also interact more closely with their environment, making them more likely to come into contact with contaminated surfaces and items.
- Communicable diseases affect a higher percentage of paediatric patients than adults increasing the likelihood of cross infection.

Improvements & Achievements 2017/18

- Development and implementation of a new Infection Prevention and Control Work Plan as a reporting system for the work undertaken by the Infection Prevention and Control Team and reported through to the Trust Board, CQAC, CQPG and IPCC.
- Rationalisation of the cleaning and disinfecting products used within the Trust through a quality improvement and evaluation process.
- Root Causes Analysis (RCA) process introduced for all Trust acquired MSSA, E.coli, Klebsiella and Pseudomonas bacteraemia to examine and highlight identification of lessons learned to inform improvement processes across the Trust.
- Introduction of the 'OneTogether' programme into Theatres to improve infection prevention and control processes which are monitored through the Surgical Site infection Surveillance Action plan, Theatre Safety Board and IPCC.
- Integration of Alder Hey into the Wider Health Economy from an infection prevention and control perspective both regionally and nationally including Gram negative blood stream infection work and Intravenous Forum work.
- Commencement of the National Paediatric Special Interest Group (SIG) supported by the Infection Prevention Society (IPS) incorporating Infection Prevention and Control, Tissue Viability, Intravenous Therapy and Infection Diseases.
- Introduction of an electronic Alert system on Meditech to monitor Alert Organisms to replace the paper based system.
- Checklist developed and used by IPCT to ensure appropriate investigation into hospital acquired diarrhoea; plan to produce posters for wards to replicate this.
- A gap analysis for the new Public Health England Toolkit for reducing E. coli bacteraemia was undertaken and actions have been added to the IPC Work Plan.
- Commencement of a sepsis nurse to audit compliance with sepsis management.
- SSI surveillance for K-wires insertion commenced. Results to be discussed with the surgeons before being distributed Trust wide.
- Successful amalgamation of Infection Prevention and Control, Tissue Viability and Intravenous teams as one collaborative team.

Total No. of Hospital Acquired Infections



Graph shows a consistent year on year reduction in Hospital Acquired Infections, from 147 in 2014/15 to 80 in 2017/18, i.e. a reduction of 46%

Future Plans

- Plans to be drawn up and incorporated into the 2018/19 IPC work plan, to incorporate strategies to integrate Community staff, premises and education into the IPC audit and educational plan.
- Co-ordination of the First Paediatrics SIG Conference in September 2018.
- Roll out of use of hand hygiene audit app (introduced originally on PICU and HDU) throughout the Trust.
- Investigation of all Hospital acquired cases of Influenza and RSV during the winter season to ascertain if they could have been prevented and reporting back to the clinical teams the hospital acquired RSV and Influenza A rates by 1000 bed days
- Audit of compliance with NICE guideline 139 (baseline review of urinary catheter management)
- Business case to be presented for three ultra violet machines for the enhancement of the deep cleaning and PPM processes throughout the Trust.
- Business case to be presented for new 'Cepheid' machine for rapid identification of carbapenamase producing organisms therefore freeing up isolation cubicles.
- Surgical Site Infection surveillance to be expanded to incorporate all inpatient surgical procedures.
- To examine and update the Isolation policy incorporating the most up to date research and best practice available and benchmarking the policy against other Paediatric Specialist Hospitals in the country.
- To explore and develop a process across the whole Trust to monitor Central Vascular Line (CVL) data per 1000 catheter days and to benchmark these rates against other Paediatric Specialist Hospitals in the country.

Further details of improvement plans are captured in the Infection Prevention & Control Work Plan which will continue to be rolled out in 2018/19.

3.3.2 PRIORITY 2 – Increase Engagement of Children, Young People and Families in Improving Quality and Developing Services

The Trust has made significant efforts to increase the engagement and involvement of our children and families in many areas of improvement across the organisation, including:

- Improvements in outpatients
- Ensuring children with protected characteristics are not disadvantaged through any service development proposals

Improvements in Outpatients

Aim: The delivery of an excellent outpatient service to every patient, on time, every time

Targets:

1. Reduce the PALS concerns relating to phlebotomy waiting times by 50% by March 2018
Baseline: 8 Target: 4
2. Improve the FFT rating for extremely/likely to recommend the Alder Hey Outpatients department
Baseline: 93% Target: 98%
3. Reduction in short term staff absence by 300 days by March 2018
Baseline: 1,764 days lost Target: 1,464 days lost

Outcomes:

1. PALS concerns relating to phlebotomy reduced to 4 in the year, i.e. 50% reduction.
2. FFT rating fluctuated widely each month between 91.4% and 97.7% patients/families who would recommend Alder Hey outpatients department
3. Short term staff absence reduced by 499 days to 1,265 days lost.



The Improving Outpatients project was established in 2016/17 following the Care Quality Commission (CQC) inspection in 2015. In 2017/18, the second year of the project continued with a focus on “Experience in Outpatients” and aimed to deliver an excellent outpatient service, building on previous achievements with a clear focus on increasing patient and family satisfaction as well as staff engagement and wellbeing.

Feedback from patients and staff highlighted several opportunities for improvement:

- Limited opportunity for patients to feedback their experience and often, limited detail provided
- Booking rooms for outpatient clinics is complex and often delayed setting up of clinic session
- Waiting and congestion in phlebotomy area resulted in delays and increased stress for both patients and staff
- Very busy fracture clinic with poor flow, blockages and delays, including in the plaster room
- Limited play and distraction provided in outpatient areas
- Staff morale low with significant days lost through staff sickness.

The work placed specific focus on delivering a safe system of booking patient appointments, an effective workforce delivery high quality patient care every time and digital improvements in line with the Global Digital Exemplar (GDE) project.

Many of the improvements utilised Listening into Action (LiA) methodology to place specific focus on the issue, and involve the right people in agreeing the solution, ensuring the patient was at the heart of the improvement.

Improvements

- Developed and implemented a monthly OPD specific Patient Survey, incorporating the existing OPD Family and Friends Test to improve quality of patient feedback

Friends & Family Test: October and Outpatient

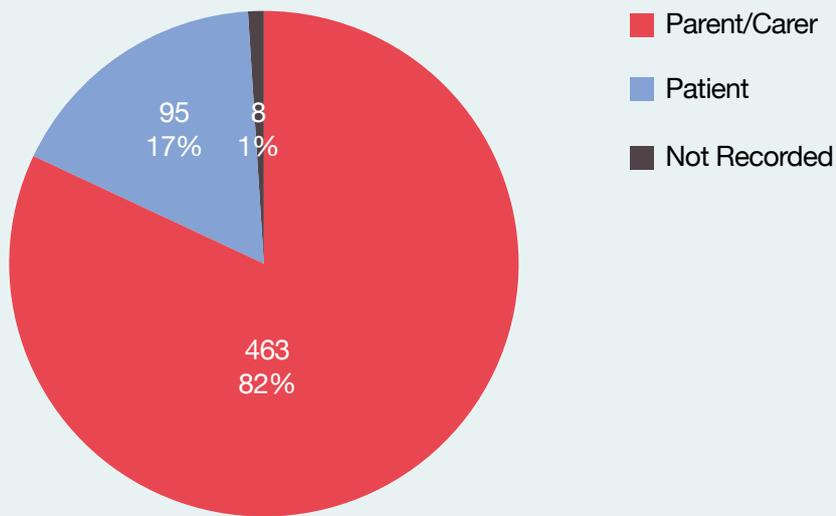
This report was generated on 14/11/17. The report has been filtered to show the responses for "October and Outpatient". Overall 566 respondents completed this questionnaire.

How likely are you to recommend our hospital to friends and family? (FFT)

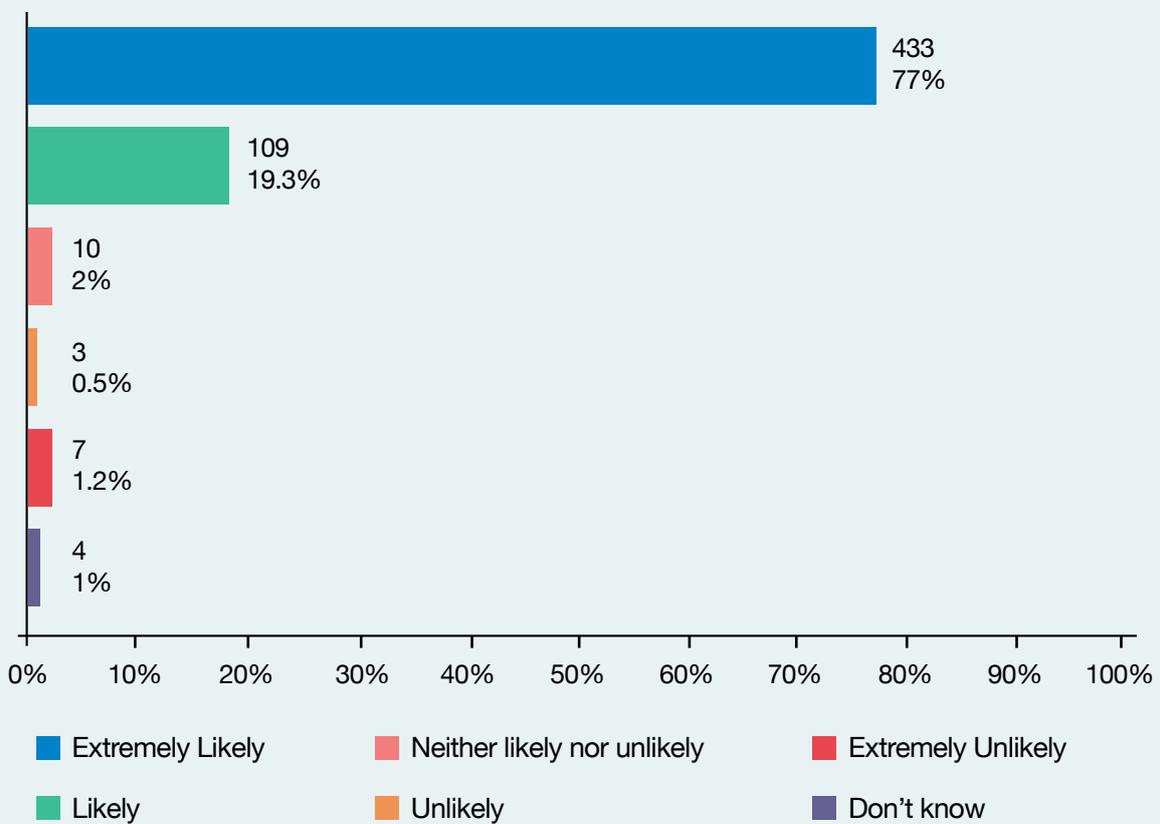
How likely are you to recommend our hospital to friends and family?							
		Extremely Likely	Likely	Neither likely nor unlikely	Unlikely	Extremely unlikely	Don't know
Total	566	433 77%	109 19%	10 2%	3 1%	7 1%	4 1%
Ward /Department/Clinic:							
Outpatients (OPD) Ground Floor	226 40%	173 31%	41 7%	5 1%	- -	4 1%	3 1%
Physiotherapy	11 2%	10 2%	1 0%	- -	- -	- -	- -
Psychological Services	1 0%	1 0%	- -	- -	- -	- -	- -
Radiology	20 4%	16 3%	3 1%	- -	- -	1 0%	- -
Rainbow Centre	5 1%	4 1%	1 0%	- -	- -	- -	- -
Occupational Therapy	8 1%	7 1%	1 0%	- -	- -	- -	- -
Not Recorded	10 2%	5 1%	4 1%	- -	1 0%	- -	- -
Phlebotomy (Bloods)	19 3%	16 3%	2 0%	1 0%	- -	- -	- -
OPD (Level 1)	84 15%	57 10%	23 4%	3 1%	- -	1 0%	- -
OPD (Level 2)	169 30%	133 23%	31 5%	1 0%	2 0%	1 0%	1 0%
Fracture Clinic	169 30%	11 2%	2 0%	- -	- -	- -	- -

Examples of the monthly FFT tests gathered in the Outpatient Department

Are you:



How likely are you to recommend our hospital to friends and family? (FFT)



Examples of the monthly FFT tests gathered in the Outpatient Department

Staff treated me nicely

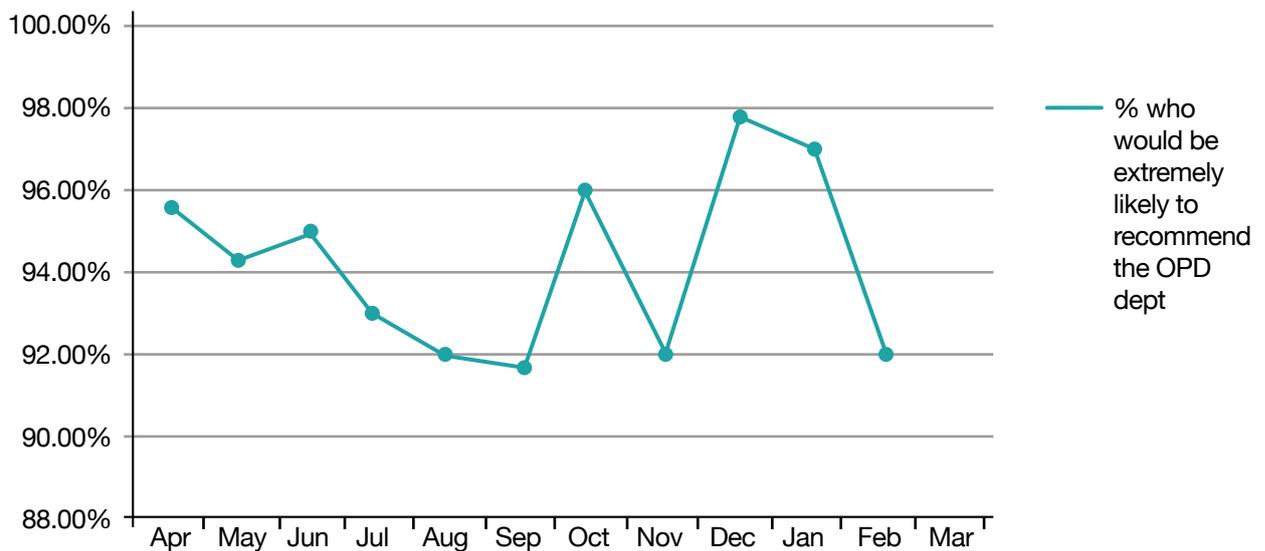
Total	566, 100%
Yes	556, 98%
No	10, 2%

Ward /Department/Clinic:	What was good about your visit?
Fracture Clinic	Service excellent in fracture clinic
OPD (Level 1)	Friendly staff
OPD (Level 2)	Clean environment, plenty for children to play with and organised
OPD (Level 2)	Staff excellent and clean
OPD (Level 2)	Clean bright and pleasant environment
OPD (Level 2)	Getting to the problem
OPD (Level 2)	Not applicable
OPD (Level 2)	Everyone was very helpful and friendly and always had a smile
Phlebotomy (Bloods)	Easy to find your way around
OPD (Level 2)	All OK
OPD (Level 2)	That we have had our appointments grouped together saving a trip.
OPD (Level 2)	Quick and efficient
Radiology	Day off school for daughter.
Outpatients (OPD) Ground Floor	Friendly, helpful, welcoming, excellent doctors and facilities.
Outpatients (OPD) Ground Floor	Good signage.
Outpatients (OPD) Ground Floor	We had good experiences with all areas of care - beginning with health care assistant nurses and doctors - they are all very good and the level of care is at a high standard.
Outpatients (OPD) Ground Floor	Toys for the children to play with.
Outpatients (OPD) Ground Floor	Staff are friendly.
OPD (Level 1)	Staff so friendly especially Nicki on the desk who sorted me an appointment after it was cancelled, she was so nice and made our experience a happy one.
Phlebotomy (Bloods)	Bright and friendly atmosphere.
OPD (Level 1)	When I had an operation I didn't feel anything.

Examples of the monthly FFT tests gathered in the Outpatient Department

- Improved the quality of room booking by implementing a new electronic Outpatient Clinic Room Booking system to allow a quick view, reduce time needed to request and confirm additional clinic sessions.
- Opened a second phlebotomy area on a separate floor and improved flow of inpatients, outpatients and GP patients attending the phlebotomy service.
- Developed a dedicated Improving Outpatients webpage on the staff intranet to allow a central point of information and improved communication with staff and stakeholders.
- Held an LiA workshop with Orthopaedics and developed an improvement action plan on fracture clinic flow leading to the introduction of a fracture coordinator in August 2017 which has successfully improved flow and patient experience.
- Reviewed and reorganised the OPD plaster room to improve flow and patient experience.
- Worked with the Play Specialist Corporate Lead to inform the Play and Distraction Strategy, ensuring OPD requirements were met and access to play and distraction was increased in 2017/18.
- Improved communications and engagement in the outpatient department with monthly staff meetings providing opportunities for staff to raise concerns and share ideas.

FFT Results - April 2017 - March 2018



Graph shows the significant fluctuation in the number of patients and families/carers who would be extremely likely or likely to recommend the Alder Hey Outpatients Department.

The Trust will maintain a strong focus on outpatients as an improvement area in 2018/19, and will strive to improve to a more consistent high level of FFT patient satisfaction.

Future Plans:

1. Test and Implement Aqua Ice, a GP led Phlebotomy ordering Solution which should further improve flow and patient experience
2. Undertake a review of OP private patients and develop an improvement plan based on findings

3. Place specific focus on further improving booking and scheduling of appointments
4. Complete an audit on the waiting times in Outpatients and review for areas of improvement
5. Continue to Implement the NHS e-referral system
6. Continue to focus on making improvements in partnership with patients and families.

Ensuring Children with Protected Characteristics are not Disadvantaged Through any Service Development Proposals

Aim: To ensure all transformation projects consider the potential impact of the proposed improvement on patients with protected characteristics

Targets:

- All proposed transformation projects will include a Quality Impact Assessment and an Equality Analysis.

Outcomes - 2017/18:

- 25 out of 29 projects have a QIA and EA completed.

Data source: Trust Programme Board project tracker

The Trust recognises the importance of meeting its public sector equality duties and the potential risks of inadvertently excluding or disadvantaging some members of our patient population.

We are committed to ensuring all service development proposals consider the potential impact on all of our children and young people, including those with protected characteristics, and their families.

By the end of March 2018, there were 29 active projects, 25 of which had a Quality Impact Assessment and an Equality Analysis completed

Improvements

- Redesigned Quality Impact Assessment (QIA) and Equality Analysis (EA) forms
- Included a mandatory section in service development initiation documents describing how children and families are involved and affected
- Tracked compliance with completion of QIA and EA through Trust Programme Board

Future Plans

- Refer to Section 3.3.10 Equality & Diversity to see plans to further improve compliance with public sector equality duties.

3.3.2.1 Other Examples of Engaging Children and Families in Improving Quality and Developing Services

Alder Hey Children's NHS Foundation Trust is committed to providing children and young people and their families/carers with the best possible experience during their time under our care. An important aspect of identifying the areas where we need to improve is to understand the patients' views of our services and how they rate their experience of the services we provide. We have adopted a number of different means for capturing this information, as identified below.

The Trust has adopted a wide range of methods to capture feedback including Family & Friends Test which provides a broad measure of patient experience which can be used alongside other data that is collected, including through our ward accreditation programme – 'Journey to the Stars', PLACE inspections, plus a listening event co-ordinated by our local Healthwatch organisations. Collection and aggregation of this data allows us to identify key themes and trends.

The data collection process is strongly supported by our team of volunteers who are trained in the use of an electronic tablet as part of their induction and support the patient experience team in gathering the feedback electronically and in real time.

A. Improvements in Acute Asthma Pathway

Aims:

- To make asthma care at Alder Hey the most evidence-based, patient-centred pathway in the world
- To reduce the length of stay, and reduce hospital admissions

Outcomes

- Co-designed new pathway with parents
- Reduced frequency of steroid treatment from 3 times per day to once per day
- Reduced side effects of treatment
- Reduced frequency of exposure to X-rays from 30% asthmatic children to 8%
- Reduced costs of medication by 90%

When a child has an asthma attack there is already a high degree of stress placed on parents and carers, and it is the responsibility of the hospital staff to ensure the journey is as comfortable and successful as it could possibly be, and discharge is achieved as soon as possible.



Reasons for Change

Hospital admission rates for childhood asthma are consistently amongst the highest in the UK. There is a feeling that children in Alder Hey were receiving more treatments than are needed and this was increasing length of stay.

The pathway was plotted and was found to have:

- Non-uniformity of care
- Some aspects that did not reflect recent best practice evidence from clinical trials
- Stress amongst junior doctors and nurses.

Alder Hey adopted an inclusive partnership approach to seeking to make improvements to this pathway. This included co-designing the revised pathway with staff and the parent of three boys suffering from asthma.

The parent was an equal partner in voting about each recommendation and played a crucial role in making change. This including teaching the parent about evidence based medicine and what results of randomised trials mean, to enable them to make informed choices.

We also informally spoke with parents of younger children before the pathway was developed to identify outcomes of importance and also to agree on the areas of most interest within the guideline.

Improvements

- Utilised a co-design methodology working with parents to identify the optimal solutions and define a new pathway
- Reviewed and streamlined the pathway so that it best suited the needs of the children and families.
- Systematically reviewed medical research with nurses, doctors, and parents who were involved in voting about issues with the pathway.
- Incorporated a change in the steroid we use (from prednisolone to dexamethasone) – resulting in reduced side effects and reduced frequency of dosing from three to one per day.
- Reduced costs of medication by 90%
- Reduced frequency of exposure to X-rays from 30% of asthmatic children to 8%.

This innovative improvement won a national award for innovation in Pharmacy and the revised pathway is being adopted by many other trusts across the UK.

Future Plans

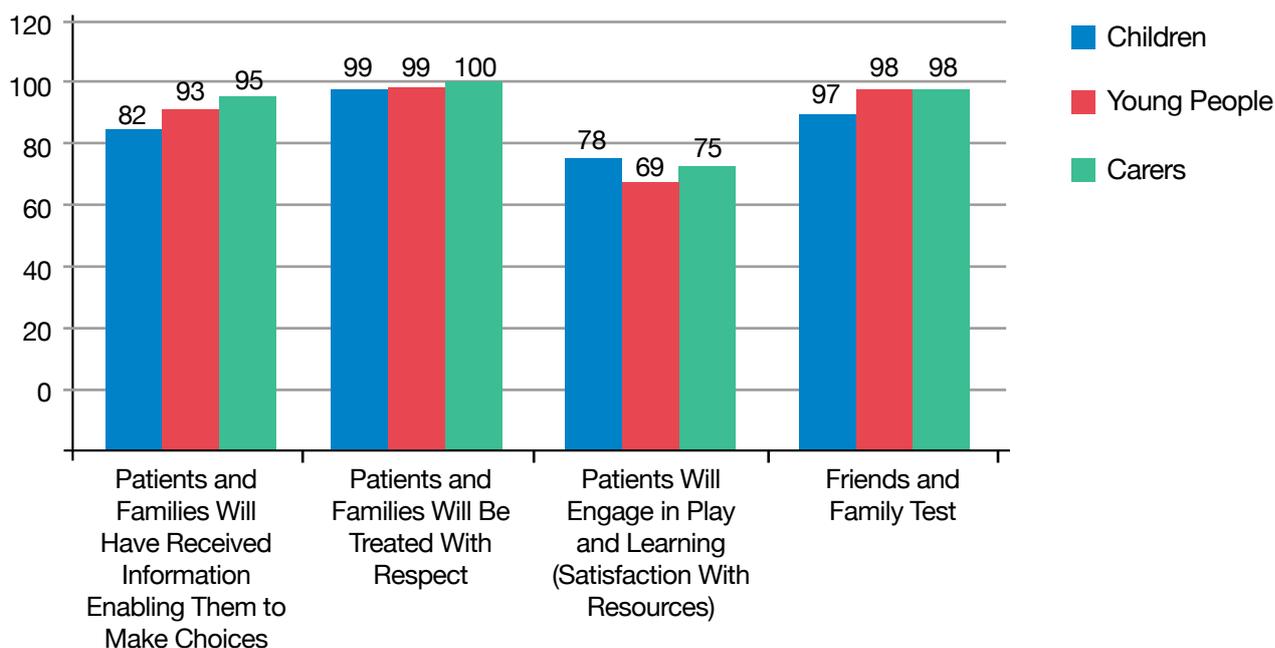
- Complete a follow up audit and seek further opportunity for improvement
- Publish these findings in a medical journal

B. Family and Friends Test

We have gathered information from children and families through the family and friends test (FFT), a national tool which provides consistent information that is comparable to other organisations and is published externally on both NHS England and NHS Choices websites. In addition we have added our own bespoke survey questions and the table below provides a summary of the responses.



April 2017 to March 2018



The following table shows the response from patients and families to the Family & Friends Test.

Patient Feedback Questions	Total Responses	Total Responding Positively
Friends and Family Test (How likely are you to recommend our hospital to friends and family if they needed similar care?)	5,138	5,019 (98.0%)

C. Journey to the Stars – Ward Accreditation Scheme

The Journey to the STARS – Ward Accreditation Scheme is a quality and safety audit tool designed to give assurance of standards of practice by measuring the quality of care delivered by wards and department teams.



The assessment tools explore aspects of patient care and service delivery using the CQC key lines of enquiry as each of the standards. The audit process involves talking to the ward or department manager, talking to patients and families, talking to staff, reviewing patient records, observing practice and the environment. The auditors include clinical and non-clinical staff from across the organisation. The assessment tools have been modified for other departments so that all inpatient wards, day case wards, Emergency and Outpatient departments can be audited.

It is considered by the Trust to be important to use the assessment tool to reward the wards / departments' hard work, hence the use of a rating system, i.e. a White, Bronze, Silver or Gold award would be given to wards depending on the outcome of the audit and this will also determine when the ward or department will be re-audited.

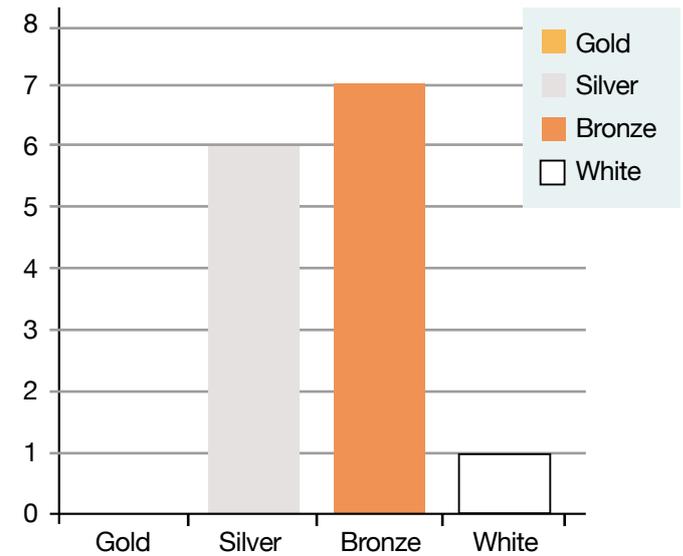


The awards and review schedule is highlighted in the table below:

Award	Overall % for all Standards	Review Schedule
Gold	90% or above	Re-audit in 12 - 18 months
Silver	80 - 89%	Re-audit in 6 - 12 months
Bronze	70 - 79%	Re-audit in 3 - 6 months
White	Below 70%	Re-audit in 3 months

The Ward Accreditation process was relaunched and rolled out across the Trust from October 2017 and 14 wards/ departments have been audited. A full report is presented to the ward or department manager and the Matron, the feedback includes areas of good practice and areas for improvement. The manager and the Matron develop an action plan and progress is reported back through the Divisional Quality and Governance meetings.

The overall Trust position after the first round of assessments is shown in the graph below:



The second wave of assessments within the hospital started at the end of March 2018 and will be completed by the end of May 2018.

D. PLACE Inspection 2017/18

Alder Hey Children’s NHS Foundation Trust is absolutely committed to ensuring that ‘every NHS patient is cared for with compassion and dignity in a clean, safe environment.’

The Patient Led Assessment of the Care Environment (PLACE) is a thorough assessment conducted by patients, Healthwatch representatives, Governors and volunteers, in partnership with NHS staff, and designed to focus on the areas which patients say matter to them.

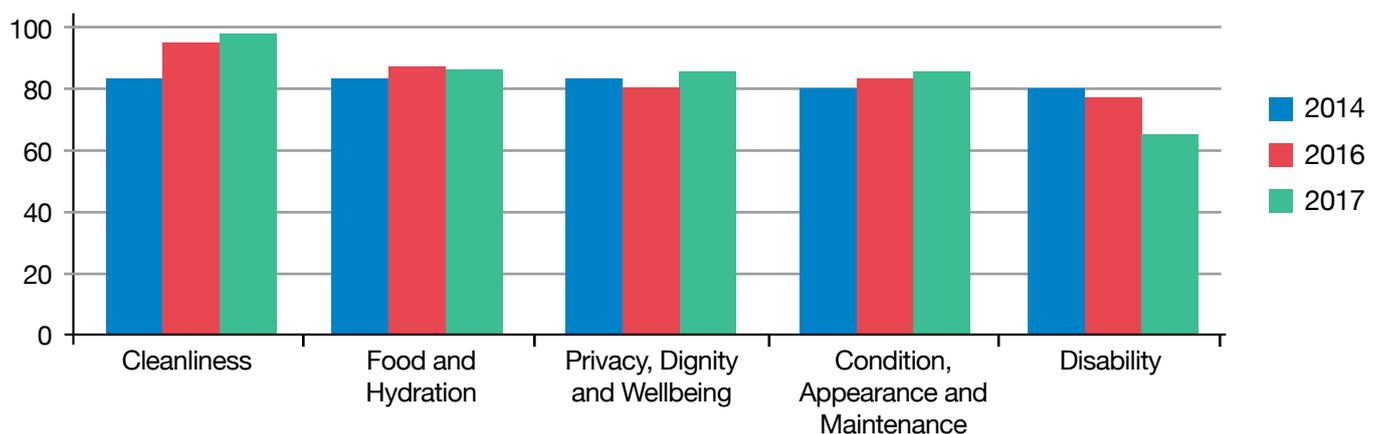
Participation is voluntary and the assessment covers a range of non-clinical activity that takes place within the care environment. The areas covered by the

assessment are ‘Cleanliness’, ‘Food and Hydration’, ‘Privacy, Dignity & Wellbeing’, ‘Condition, Appearance & Maintenance,’ and Disability, which focuses on issues such as wheelchair access, mobility (e.g. handrails), signage and provision of other aids including visual/ audible appointment alert systems, hearing loops, plus aspects relating to food and food service.

Outcome

The results of the assessment are produced by NHS Digital (formerly Health and Social Care Information Centre). The table below provides a comparison of Alder Hey’s performance over the past three assessment periods.

PLACE Reports 2014/2017 *Note: there was no PLACE assessment undertaken in 2015*





Improvements

- Implementation of the ‘cleanliness action plan’ through Infection Prevention & Control has delivered continued improvement over the past three inspections
- Food and hydration has maintained the improvement from 2014, with specific improvements being made in offering healthy options, reducing availability of sugary snacks and creation of personal space for children and young people to eat on wards.
- Privacy, Dignity and Wellbeing showed slight improvement on last year.
- Established a ‘Blank Canvas’ group which consults with children and young people, to design bespoke decoration throughout the hospital, reducing the bland clinical feel. This has supported consistent improvement in Condition, Appearance and Maintenance
- Disability has shown a worsening position. However this was related largely to wheelchair access to

services provided on the Trust’s retained estate. This has now been improved.

- Established a Patient Experience Task and Finish Group to address issues highlighted through PLACE inspection and through Family and Friends Test feedback.

Future Plans

- Collaborate with peer children’s trusts to undertake future PLACE assessments and share best practice
- Introduce internal interim PLACE Assessments to be carried out with volunteers 3 times a year
- Address PLACE assessment findings through newly formed Patient Experience Task & Finish group.
- The Trust will continue to work with patients, the public and external organisations such as Healthwatch, and will again undertake a PLACE assessment in 2018 to identify further opportunities for improvement.

E. Healthwatch – Listening Event

Healthwatch Liverpool and Healthwatch Knowsley visited Alder Hey Children’s NHS Foundation Trust to gather feedback from patients and visitors. This included questions about the staff and their interaction with patients, the facilities and the food. Plus respondents were asked how many ‘gold stars’ would they give Alder Hey overall from 1 (poor) to 5 (outstanding).

Star Rating	★	★★	★★★	★★★★	★★★★★
No of respondents (out of 32)	0	0	1	7	24

The full results of the work completed by Healthwatch were fed back to the Trust. Whilst it was recognised this was the output of a small number of respondents, the Healthwatch report did comment, “Healthwatch was pleased to receive mostly positive feedback from patients about Alder Hey. Most service users had good things to say about Alder Hey and were positive about the care they received.”

F. The Alder Play App

Aims:

- To create a state of the art app that enhances the experience of care for children and young people at Alder Hey
- To distract, reward and familiarise children using a familiar digital medium
- To engage with parents to answer their questions about Alder Hey and what may happen during their child's visit to the hospital



Reasons for Change

The Alder Play app has been developed by the Innovation Team at Alder Hey working in partnership with Alder Hey Children's Charity. Designed with the help of young patients, the app is powered by the very latest digital and cognitive advances.

Evidence suggests that distraction can reduce worries and fears in children, whilst rewards can support positive health behaviours. Both approaches are used widely across the hospital, but this is the first time a bespoke digital medium will assist staff to engage children to enhance their experience of care.

Improvement

The app uses gaming and augmented reality to distract patients having procedures in hospital. Young patients choose an avatar which will help them understand their hospital visit before they arrive and guide them through a tour of the main hospital areas.

Rewards in the form of virtual stickers can be given by staff to acknowledge or encourage progress and there are games and video content to access too.

Within Alder Play, parents are also able to interact with a chatbot called "Ask Oli" to ask questions about the hospital and what may happen to their child. The chatbot is powered by artificial intelligence and can answer questions in real time.



Future Plans

The IT team at Alder Hey have provided continued expert input to Alder Play and involvement has been furthered enhanced by the GDE programme. As Alder Play is introduced across the Trust, the Innovation Team will work closely with departments to support adoption and realise the benefits of Alder Play. Initial evaluation of impact will be led by a strategic partnership with The University of Liverpool.

Development of Alder Play will continue, informed by the needs of children, families and staff. The Children and Young Peoples Forum have already played a central role and will continue to do so. Alder Play originated a number of years ago when a seven year old patient Niamh suggested to hospital staff the idea for an app to be created that would distract children like her while they were in hospital.

Niamh now says.

"It is exciting to see that the app is coming to life and providing entertainment for other children like me. I really like the 'Ask Oli' page which is really helpful and means kids and parents can ask questions about their stay in hospital."

3.3.3 PRIORITY 3 – Increase the Number of Defined Clinical Care Pathways across our Specialties

In reviewing feedback from patients and staff, and in analysing complaints, incidents, mortality and morbidity reports, the Trust recognises that there is a degree of variation in care across the specialties and across the week. We are committed to utilising best practice, such as NICE guidelines, national service specifications and other evidence to ensure the same standardised, high quality care is delivered to all patients seven days a week.

In striving to deliver this priority, the Trust agreed to place a specific focus on:

- Developing care pathways across clinical specialties
- Developing a system of 7 day working

Developing Care Pathways across Clinical Specialties – Digitised Clinical Pathways

Aim: To design and implement digitised clinical pathways that are patient centred and evidence based

Targets:

1. Develop standard methodology for creation of digitised clinical pathways
2. Implement digitised pathways in 6 specialties by March 2018
3. Establish a ‘clinical intelligence portal’

Outcomes - 2017/18:

1. Standard methodology implemented and priority specialties identified.
2. Digitised clinical pathways implemented in 8 specialties
3. Clinical intelligence portal developed and ready to be launched

Background:

At Alder Hey Children’s NHS Foundation Trust the transition to paper free working has been identified as an opportunity to engage the hospital’s specialty teams in a process of service transformation and quality improvement. The aims of the project are aligned with the Trust’s strategic goals to achieve success in three key domains; safety, effectiveness and patient experience. Digitised clinical pathways have been identified as one method for structuring the approach to service transformation around specific clinical scenarios.

The project is led by the Clinical Effectiveness Directors as part of the Global Digital Exemplar (GDE) project and reports to the GDE programme board. Resources including an operational project manager, clinical fellow, IM&T development staff and support from the business intelligence team have been allocated to the speciality package project.

The project plan is structured around four “gateways” involving;

- clinical engagement and identification of clinical pathways for digitisation;
- digitisation of documentation and the development of digital tools to support pathway implementation;
- training, testing and launch of digitised processes
- post-implementation review and revisions.

Improvements:

- Implemented standardized approach (PEDMAPs Pathways) - designed to promote the implementation of patient centred, evidence-based care within the Trust (summarised using the PEDMAPS mnemonic; Patient centred, Evidence based, Digitally enabled, Metric defined, Accessible Pathways).
- Engaged individual specialty teams to identify relevant patient-centred clinical and patient experience outcomes, which are then used to promote the identification of the most suitable evidence-based pathway recommendations
- Implemented pathway recommendations using service redesign strategies, supported by the development of digital tools including
 - Bespoke digital documentation
 - Computerized order entry systems
 - A ‘clinical intelligence portal’ providing an automated overview of clinical effectiveness and patient experience data.
- Speciality packages and digitised clinical pathways implemented for 8 specialities including the emergency department, rheumatology, gynaecology and CAMHS.

Future Plans:

- Continue to roll out digitised clinical pathways to a total of 63 speciality packages by 2020
- Populate and roll out clinical intelligence portal
- Use digital data to support the quality improvement cycle



Developing a System of 7 Day Working

Aim: To achieve the same level of access to clinical services across all 7 days of the week

Targets: To meet the 4 core national standards*:

1. Std 2 - Time to consultant review < 14 hours
2. Std 5 - Access to diagnostics
3. Std 6 - Access to interventions/key services
4. Std 8 - Ongoing senior review

*Core standard 2 required for 2017/18

Outcomes - 2017/18:

1. October 2017 Updated baseline by audit (S2 only)
2. Stabilised trainee doctor numbers over winter to ensure consultant availability
3. Developed standardised electronic ward round package to mandate recording of consultant presence
4. Prepare for Spring Audit 2018 (4 core standards)
5. Engagement and planning for redesign of paediatric delivery model

Evidence exists that lack of access to resources at weekends across the NHS can be associated with delays to care and increased risk of adverse outcomes. The Trust is required to deliver national standards designed to address this variation and to focus on 4 of 10 of the agreed national standards. Generally good progress has been made with standard 2 requiring more thought and attention.

In implementing the system of 7 day working, the Trust has established a Trust wide "7 day Working Steering Group" to coordinate Trust approach, and to oversee mandated audits. To pull together this multifaceted approach, we have established the 'Best in Acute Care' working group which oversees activities and outputs of Out Of Hours working group, New Models of Care working group, Escalation policy and development of Rapid Response Nursing Team.

Achievements 2017/18

1. Clinical Standard 2 - Time to 1st Consultant Review: 54% of patients were seen and assessed by a suitable consultant within 14 hours of admission.
2. Improved ability to record when consultant review takes place on hospital information system.
3. Established an Out Of Hours working group (Junior Doctors, General paediatric and Specialty Consultants, Senior Clinical Leaders, Service Managers and Medical Staffing Lead)
4. Created an action plan including surveillance of junior doctor numbers and gaps, recruitment to additional posts, and wellbeing of junior staff.
5. Recruited over and above expected trainee establishment (in anticipation of gaps).
6. Appointed 3 experienced Foundation (F3) doctors (across general paediatrics and surgical teams) in addition to trainee establishment.
7. Appointed 4 zero hours contract doctors to support covering gaps in rotas.
8. Also introduced an additional 2 Advanced Nurse Practitioners to contribute to junior doctor responsibilities.
9. Developed a 'New Models of Care' working group looking at a new model of consultant delivery of care to different patient groups across Alder Hey.
10. Weekly meetings commenced July 2017 addressing a number of work streams including:
 - a. Clarifying general paediatric and specialty team 'rules of responsibility'
 - b. Determining best model of care for emerging Complex Care patient group
 - c. Determining best model of care for consultant support to High Dependency Unit
 - d. Determining most appropriate paediatric support for surgical patients (complex and non-complex)
11. Models of Care agreed in principle and supported by the Executive Team
12. New Models of Care work Programme has been agreed as one of the Trust's 5 key Operational Priorities for 2018/19, and each of the above work streams will be progressed with an implementation programme agreed.
13. Developed standardised electronic ward round documentation in place should make the process of monitoring compliance with the standards easier and allow for improvements to be made in a timely way.

Future Plans 2018/19

1. Completion of the 3 year Global Digital Exemplar (GDE) Programme will:
 - improve data capture; each patient will have a fully digitised and accurate record of their care; resulting in improved clinical governance, including for example which grade of medical staff has reviewed the patient and when – accurately capturing time-to-review.
 - provide digitised clinical pathways re-designed in line with best clinical practice, which will improve patient experience, patient safety and clinical outcomes and their ease of reporting.
 - lead the delivery of a collaborative approach to health and social care; working with other trusts, Primary Care and Social Care in sharing clinical information to improve the patient experience in the wider healthcare setting and future proofing our approach to 7-day services and other clinical pathways.
2. Continuation of Out Of Hours group monthly meetings to monitor gaps in rotas, recruitment to additional posts, and oversight of junior doctor wellbeing.
3. Comprehensive New Models of Care Work Programme will be established 2018/19 with likely 3 year implementation plan. Aligned to this will be dedicated Consultant Job Planning in 2018/19, working towards standardised weekend and out of hours consultant working across all specialties, for all patients.
4. Trust Patient Flow Work Programme (18/19), including implementation of SAFER Bundle across the Trust will support all 4 standards.
5. The Trust will review ANP developing workforce and their coordinated contribution to roles and responsibilities across Junior Doctor and ANP competencies, and their contribution to 7 day working standards.

3.3.4 PRIORITY 4 – Provide Support that will Enable our Staff to Feel Valued and Respected by the Organisation and Actively Contribute to the Organisation’s Success

The Trust recognises the need to support and celebrate the great work undertaken by our staff and how they contribute to the organisation’s success, and is committed to ensuring our workforce is representative of the local population demographics.

In striving to deliver this priority, the Trust agreed to place a specific focus on:

- Reward & recognition and celebrating success
- Increasing BME representation in the workforce

Reward and Recognition and Celebrating Success

Aim: To identify and celebrate the remarkable and outstanding effort being demonstrated every day by the staff at Alder Hey so that staff feel valued at work and feel like they contribute to the organisation’s success.

Target:

- 5% improvement in baseline measure of ‘staff that recommend Alder Hey as a place to work’ in National Staff Survey.

Outcome:

Year	Percentage	Improvement
2016/17	53%	10%
2017/18	63%	

It is widely recognised by leaders at Alder Hey that the Trust’s most valuable asset is its workforce. The importance of recognising and rewarding the great work being undertaken on a daily basis has been a strong area of focus during 2017/18. With a highly motivated workforce, we will see continued improvements in performance, patient experience and outcomes, and a high degree of staff satisfaction. Numerous initiatives have been adopted, many driven through our Listening into Action approach, which empowers staff by giving them confidence to raise issues and make change in their own areas.

Improvements 2017/18

• **Fab Staff Week**

As a means of saying ‘thank you’ to the staff, and in recognition of the NHS Fab Change Day the Trust held a ‘Fab Staff Week’, consisting of a whole week of health and wellbeing activities and stalls, free fruit and snacks for staff, and created a pledge wall for staff to commit to making a simple positive change to improve working life for themselves and their colleagues.



Catering’s ‘thank you’ stall



Staff 'pledge wall'

Activities included:

- A free raffle with 61 prizes, for staff who submitted a change pledge.
- A commitment from staff to participate in a Randomised Coffee Trial, where pairs of staff from different parts of the Trust meet over a coffee and discuss each others roles, with a view to gaining a greater understanding of the organisation and sharing improvement ideas.
- Numerous healthy lifestyle stalls including 'Smoke Free Liverpool', 'Simplyhealth', 'Citizen's Advice', 'Slimming World', 'Union advice', 'Financial Advice', 'NHS Pensions advice'



A delighted staff member claiming her raffle prize

Star Awards

This year, we relaunched our staff recognition scheme to provide several opportunities for staff to recognise the tremendous work done by colleagues, by nominating them for a Trust award through the monthly or annual staff awards, or to simply say thank you to staff using one of our specially designed 'thank you' cards.

'Star of the Month' award – Staff are invited to submit nominees each month with evidence of how an individual, or a team, truly live the Alder Hey values and go beyond the call of duty. A panel of judges made up

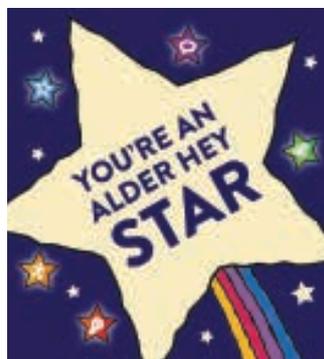
of staff and governors, assess each submitted nominee against the Trust values and declare the winner as Alder Hey Star of the Month. The winning individual or team receives a certificate, a gift voucher, and a place in the Atrium Star Chart.

'Annual Staff Awards' – The annual awards evening is designed to bring people together and celebrate the passion, dedication and successes of our remarkable staff at an annual Alder Hey Star awards gala. There are 11 categories which recognise staff for the commitment, care and compassion they deliver all year round. This includes a category which is subject to a public vote, the winner of which this year was described by patients as "nothing short of exceptional", "extremely compassionate and caring", and "truly made the difference in helping me and my family cope through what was the worst time in our whole lives".



Alder Hey Stars celebrating at the Annual Awards gala dinner

'Thank You Cards' – We have also developed a simple thank you card that all staff can download and use as an expression of gratitude to their colleague(s) whether for a piece of hard work they have done, or a positive attitude, or even simply just to show that they are appreciated.



Alder Hey 'Thank You' Card

Future Plans

- Continue to utilise Listening into Action as an empowerment methodology to engage staff and patients in identifying and implementing improvement opportunities
- Hold a Quality Summit with contributions from all specialties and departments as well as children and families to identify local priorities whilst maintaining children and families at the centre of everything we do.
- Repeat the 'Fab staff' week to ensure we continually recognise and reward staff for their outstanding work
- Continue to explore new and innovative ways of building staff confidence and motivation.

Increasing the Black and Minority Ethnic (BME) Workforce Within the Trust by a Further 5% by 2022

Aim: Increase the BME workforce by 1% each year, over the next 5 years to 2022, thus reflecting the demographic make up of the local population, with an 11% BME population.

Targets:

- 1% increase each year

Outcomes - 2017/18:

- April 2017 – 190 BME employees (5.6%)
- March 2018 – 222 BME employees (6.3%)
- Overall annual increase of 0.7%

The Trust recognises that the staff are the most important and valuable resource and are committed to attracting and retaining a diverse and motivated workforce, with the right skills, values and knowledge to deliver world class care for patients. Creating a more diverse and inclusive workforce will enable the organisation to deliver a more inclusive service and improvement in patient care.

Improvements 2017/18

- Review of Recruitment and Selection Policy, methods and training – a revised Recruitment and Selection Policy and Management Toolkit was implemented in June 2017, providing clear direction to managers and staff regarding the processes in place when recruiting staff internally and externally.
- During August 2017 a revised Recruitment and Selection Training programme was introduced for recruiting managers providing information relating to

selection methods which enabled recruiters to avoid any form of discrimination or unconscious bias.

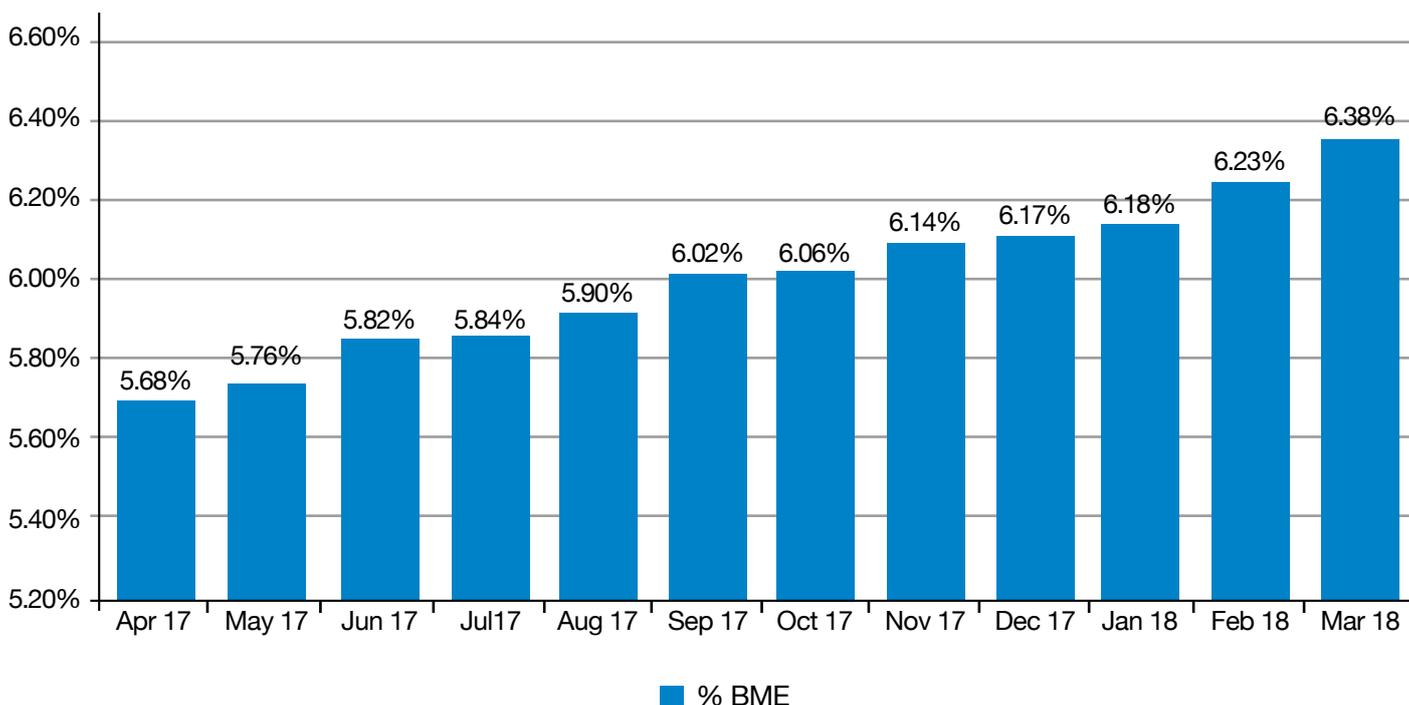
- BME staff also received the recruitment and selection training to act as a 'critical friend' and to share personal experiences, which can in turn be incorporated in the programme to enrich the training.
- The Human Resources Team have identified recruitment campaigns where BME applicants have applied and been shortlisted. HR team members have then observed those interview panels ensuring that no form of discrimination or unconscious bias occurs. To date no unconscious bias or discrimination has been identified.
- Training has also been provided to managers to assist them with constructive and meaningful feedback to unsuccessful applicants following interview. Managers and staff have also accessed Cultural competence training.
- The Trust has adopted 'positive action' in recruiting - the following statement is contained on all advertised vacancies on NHS Jobs.
"Black, Chinese and Disabled individuals are under-represented in our total workforce, and males are under-represented in our nursing workforce. We actively encourage applicants from these groups".
- The development of an inclusive careers promotional video and brochure is now in use to further assist in our recruitment strategy.
- The Trust has also developed a pathway for volunteers enabling them to apply for internal vacancies following successful placement within the volunteer's team. This opportunity has been promoted to various BME groups and networks.
- Introduction of and development of a Staff BME Network – the BME Network was introduced in April 2016; the aims were to address under-representation of BME groups at Alder Hey. This group has been invaluable in understanding and addressing issues affecting the BME workforce. The group has reviewed the reasonable adjustments processes, and evaluated internal recruitment processes and opportunities which has already enabled staff progression and development.
- Development of Pre-employment Programme – during October 2017 Alder Hey and Job Centre Plus implemented a programme offering unemployed members of the local community the opportunity to participate in a 10 week work experience programme based within Alder Hey. Following successful completion of the programme the applicants were offered the opportunity to apply for internal vacancies or bank work within the Trust. When advertising the Trust targeted BME groups and actively encouraged applicants from BME backgrounds.

- Working with external organisations to promote NHS Careers to schools and colleges - the Human Resources Team are working in partnership with Merseyside Careers Hub and Health Education England to promote careers on an ongoing basis. The HR team have co-ordinated Trust attendance at external careers events which are attended by various schools and colleges. They have also hosted careers event for a local school providing careers

information to year 10 students, providing career pathway information from various professionals within the organisation.

- Review of workforce data – throughout 2017/18 the Human Resources Team has cleansed the workforce data held within ESR to ensure accurate reporting on equality information for all staff.

Graph 1.1, shows the Total number of BME staff in post each month from April 2017 to March 2018



Future Plans

- The BME network continues to meet regularly and has assisted the implementation of the disability network.
- Develop links with the BME communities to promote careers at Alder Hey.
- Working in partnership with Job Centre Plus specifically targeting BME unemployment, with the aim to offer apprenticeship at the end of the Pre-Employment Programme.
- To continue with all positive active actions to actively recruit BME applicants such as monitoring interview, feedback to applicants and vacancy statistics.
- To continue working with Merseyside Careers Hub and NHS England to promote NHS Careers.
- Continue to improve our data held in ESR by encouraging new staff to complete all aspects of equality information on new starter forms.

3.3.5 PRIORITY 5 – Continue to Improve the Environment and Make it Work For Both Patients and Staff

Following feedback from patients and families the Trust identified the need to continue to enhance opportunities for play and improved entertainment for children and young people, plus a requirement to improve wayfinding and familiarisation of the hospital environment

In striving to deliver this priority, the Trust agreed to place a specific focus on:

- Improving arts, performance and play
- Improving signage and wayfinding for children and families

Improving Arts, Performance and Play



Alder Hey has had an Arts for Health programme since 2002 which has become increasingly active in enhancing the physical environment, improving the patient experience and supporting clinical objectives using knowledge of proven research into the benefits of arts participation. It is distinct from those in other paediatric hospitals in that it is focused on patient participation, being both patient-centred and patient led. The arts support an individualised and very positive healthcare experience for many patients, often focusing on those who have long-term conditions.

The Trust Arts Coordinator along with the Arts Strategy Team and children and young people were instrumental in the development of arts in the new hospital, inspired by the theme of nature and the outdoors – connecting with the environment.

The Arts Coordinator manages an ongoing programme of participatory arts, major projects and collaborations with our cultural partners, as well as:

- showcasing the best of live music and performance in our performance space,
- developing strategic links with further and higher education,
- supporting and advising healthcare staff in developing arts initiatives
- developing mentoring and CPD programmes for arts and healthcare professionals.

The programme is recognised by our peers as a national model of best practice and in July 2017, was cited for its exemplary practice in the All-Party Parliamentary group Inquiry into Arts, Health and Wellbeing.

2017/18 has seen unprecedented levels of participatory activity with our patients and their families. The number of workshops delivered on the wards and in our community sites has risen from 300 per year to 586 last year, and we worked with over 5,000 children and young people. This is in large part due to a number of high profile major projects:

Music Matters

This was a project funded by The Big Lottery: The People Project; Alder Hey was one of three North West organisations to receive funding through securing the most public votes following an ITV screening promoting the project. The project enabled us to deliver music workshops led by professional musicians on each in-patient ward (8 in total) once a week for 12 months. During that time, we delivered 320 workshops and worked with 1,600 patients. The project demonstrated clearly the immediate benefits of music intervention on the wards. Evaluation carried out with patients showed that 92% of patients believed that the music session had significantly improved their hospital stay and 84% of patients said that it significantly helped them to forget about their illness or condition.

Patients, parents and ward based staff unanimously supported and welcomed the programme, recognising the influence that live participatory music had on the child's wellbeing, physical ability and emotional state - and particularly with long term patients, their ability to cope with hospital life.

"I heard her playing across the corridor and couldn't wait for my turn."

Noah, aged 4

"The music session today was fantastic, the lady who performed was amazing, we all joined in as a family and it left us all with a really positive and enjoyable memory to look back on at such a difficult and hard time. I would highly recommend these sessions and believe they are a great idea for helping the child feel like there is something to look forward to and make them smile. I think these sessions are one of the best ideas the hospital has to offer for children."

Mum of Miley, aged 7

Music As Medicine

This is an 18 month programme funded the Youth Music Foundation. It is a partnership project with Live Music Now North West and aims to support long term patients in four areas of the hospital through regular participation in music sessions led by Live Music Now musicians. The project also embeds bespoke training for the musicians, equipping them with the skills to work in this sensitive environment and deliver music sessions that the patients and families will enjoy. We are also making a film resource to share with other professional musicians interested in working in a paediatric healthcare setting.



Making A Difference

This was an eight week residency by willow artist Caroline Gregson, funded by Arts Council England, in partnership with Bluecoat Display Centre, the regions leading centre for contemporary craft. The artist worked on one of the wards twice a week to deliver craft making sessions using willow. Children and young people were able to make individual willow pieces to customise their patient bedrooms. The artist worked with 176 patients during the residency.

"This is so worth doing, it's a great distraction and they learn a new skill."

Parent of patient



life size bee keeper, child and bees, which is now on permanent display.

Bedlam!

This was a four month arts residency by animation company Twin Vision, funded by The Big Lottery Fund: Awards for All. Twin Vision worked with patients on one of the in-patient wards to create a short animated film inspired by "My Bed", an iconic work of art by contemporary artist Tracy Emin, which was being exhibited at Tate Liverpool at the time of the project. The patients worked on all aspects of film production from script writing to making models and sets and providing voice overs. The resulting animated film was then displayed at Tate Liverpool as part of

the Tate Exchange programme during the summer of 2017 along with a documentary film and models from the animation, seen by thousands of visitors to the gallery.

"It was overwhelming seeing myself and my art in the Tate!"

Amelia (patient)



"Thanks so much for allowing the children to be a part of the animation. They both loved it and were excited to see the finished article. They liked seeing themselves in the documentary as well. A brilliant idea for children to take part in whilst in hospital, staff were so encouraging and engaging."

Parent of patient



The Harmonic Oscillator

This was a project funded by the Australian Government exploring the impact of sound on wellbeing through a series of residencies by international artist Vic McEwan, culminating in a Tate Liverpool exhibition and presentation at the International Conference of Culture, Health and Wellbeing in June 2017. The artist worked with patients, families and staff over a three year period, exploring sound and creating new artwork, including an app, a publication, an exhibition and radio documentary.

'smalldances' App

This is the UK's first somatic child focused dance app, 'Smalldances' aimed at parents/carers of long term hospitalised children produced in collaboration with Small Things Dance Company; the app was funded by Arts Council England and Children in Need, and was launched in November 2017. It is the culmination of over 10 years of award winning dance participation at Alder Hey.

Our regular dance and movement work has continued to support patients and their families on the cardiac, neuro medical and renal dialysis wards, funded generously through Children in Need.

Improving Signage and Wayfinding for Children and Families

Patient feedback including the Patient Led Assessment of the Care Environment (PLACE) assessment, has helped the Trust to identify a number of areas that require improvement to reduce stress, improve safety and improve the experience of children and families who are anxious about attending the hospital. In particular a number of opportunities to improve signage and wayfinding, making it easier for children and families to find their way around the hospital have been implemented over the past 12 months.

Improvements 2017/18

- Welcome signs written in multiple languages at every entry point on each level of the car park
- Improved signage for disabled parking
- Created dedicated waiting space inside the atrium for families waiting for a taxi pick up
- Increased visibility of no smoking signs around the grounds of the hospital
- Improved handwashing signage in toilets
- Electronic notice boards placed on every ward displaying staffing levels and other information for the patients and families
- Increased number of volunteers to help support families with booking in and finding the way to their

destination. Currently we have over 490 volunteers active within the Trust

- New welcome desk in place at the A&E end of the atrium, staffed by volunteers
- Infection control signage in every lift reminding everyone of the importance of good hygiene to keep children safe
- Introduced 'Alder Play App', to improve wayfinding, familiarisation and distraction for our patients.

Future Plans

- Further develop our electronic/interactive improvements through the Alder Play App
- Introduce a second welcome desk at the outpatients' end of the atrium
- Continue to consult with our patients and families to identify further opportunities for improvements.

3.3.6 Medication Safety (Sign Up To Safety Pledge)

Aim: No drug errors resulting in avoidable harm.

Targets were set in the Sign up to Safety improvement plan 2015/18.

Targets: From 2014/15 baseline:

- Reduce all medication errors that result in harm by 25% by March 2018;
Baseline: 128 Target: 96.
- Reduce medication errors that result in moderate, severe harm or death by 50% by March 2018;
Baseline: 4 Target: 2.

Outcomes:

- Total medication errors resulting in harm reduced from 128 to 32 representing a 75% reduction since April 2014.
- Medication errors resulting in moderate, severe harm or death reduced from 4 to 0 (zero) representing 100% reduction.
- 72% increase in medication incident reporting since 2014/15. From 703 to 1,209 medication incidents reported.
- Decrease from 18.2% to 2.6% of medication incidents associated with harm attached since 2014/15.

Almost every patient who is admitted to hospital requires medication. Prescribing, administering and dispensing medicines for children are complex processes and require specialist knowledge and

experience. Medication errors are the most common type of incident reported in most hospitals in the UK. We want to reduce the number of medication errors happening in Alder Hey for 3 main reasons:

- Medication errors can harm patients. The majority of the errors which have happened in Alder Hey have not caused harm to patients but a small number have caused harm or might have caused harm if they had not been discovered before reaching a patient.
- Medication errors can increase the length of time a patient stays in hospital or increase the cost of their stay because more tests, investigations or treatments are needed.
- Being involved in a medication error can be a very difficult experience for patients, their families and the staff involved.

Medication errors are reported on the Trust’s incident reporting system (Ulysses). Individual errors are immediately triggered to the manager in the area where the error happened plus other appropriate individuals.

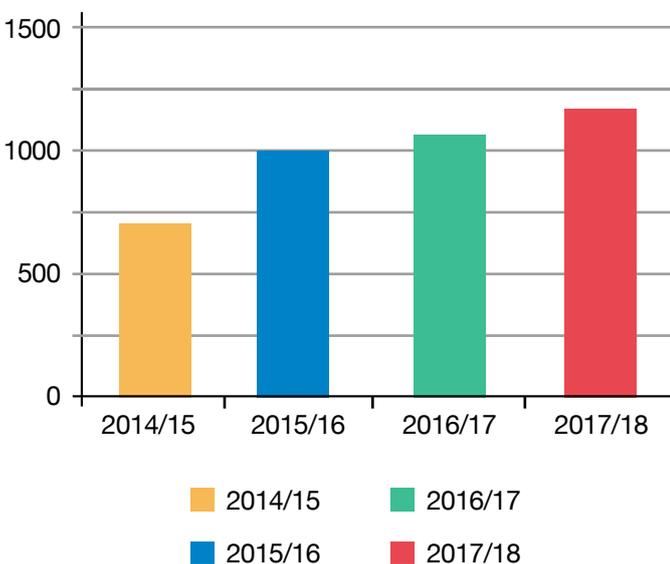
The Medication Safety Committee (MSC) (a subgroup of the Drug and Therapeutics Committee) review monthly summaries and identify trends in reporting.

The Trust’s Weekly Meeting of Harm reviews incidents that have caused harm to patients in the previous week, this includes medication incidents.

The Clinical Quality Steering Group review overall trends in medication error reporting.

Graph shows ongoing increase in reporting of medication incidents. This has increased from a baseline in 2014/15 from 703 incidents to 1209 in 2017/18 (a 72% increase in reporting).

Total Number of Medication Incidents Reported

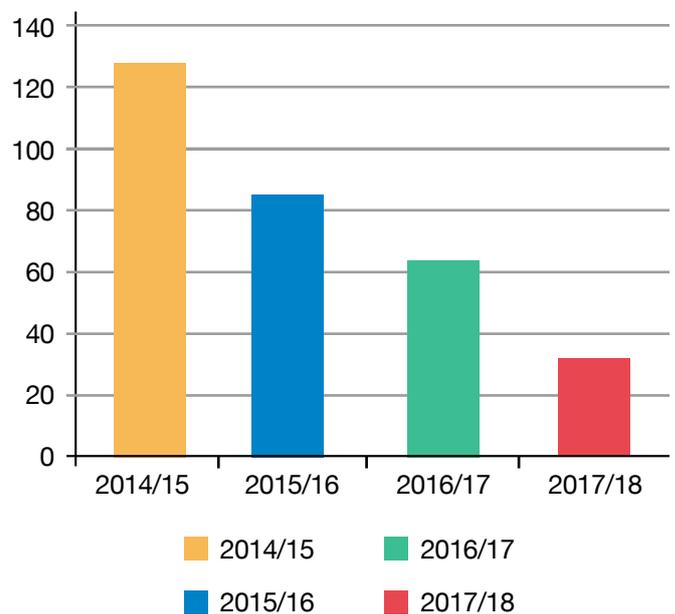


Whilst the number of reported medication incidents has increased since appointment to the role of Medication Safety Officer in 2014/15, the actual harm attributed to incidents has dramatically reduced as demonstrated in Table 2. This is reflective of an improved safety culture and willingness to report incidents openly, including those that don’t reach the patient.

Graph shows the number of incidents that resulted in harm. This has decreased from 128 in 2014/15 to 32 in 2017/18 (75% improvement), including zero incidents causing moderate, severe harm or death.

This fantastic outcome far exceeds our Sign up to Safety 3 year target for reducing harm from medication.

Number of Incidents of Harm from Medication Incidents



Improvements

This section lists the improvements developed to reduce the number of medication errors reaching patients and causing harm over the past three years:

- Improved the quality of incident report data by implementing a more consistent approach to follow up and ensuring minimum data is completed prior to incidents being uploaded to the National Reporting and Learning System.
- The implementation of the MERP (Medication Error Reporting Program) grading structure for classification of harm caused by a medication error. This provides a much more objective method of assessment.

- A more formal process for involving educational supervisors in follow up of prescribing errors by junior doctors has been well received. This is supported by circulation of a monthly summary of incidents caused by prescribing errors.
- Developed a medication safety mandatory training workbook. This has been approved by MMC and was implemented in April 2017.
- Line managers are offered support when investigating incidents by MSOs. This has improved the response time for investigations following an incident.
- ‘Medication Safety Surgeries’ have been set up for managers needing support to complete or review incidents. This has improved timeliness of reports and ensured reporters know their incidents are followed and should reduce the risk of a similar error recurring.
- Ensuring any medication errors involving Meditech (our Electronic Prescribing and Medication Administration (EPMA) system) are fed back to the Meditech team and used to shape and prioritise developments and training programmes.
- Developed links with universities which have increased the delivery of medication safety training to student nurses who are placed within the Alder Hey.
- Showcased our successes at the Sign up to Safety event held at Alder Hey to re-iterate to staff to follow the “Five rights for medication safety” and encourage reporting of near misses and actual medication errors
- The Nurse MSO was a speaker at the Medication Safety Summit in London in June 2017 and ran a workshop on safe administration of medicines at the Neonatal and Paediatric Pharmacists Group annual conference in November 2017
- Monthly reports for nursing staff regarding medication errors and specific medication reports are provided to each Division and also the education department for prescribers.
- An intranet page dedicated to medication safety has been developed which includes recent alerts and lessons learned.
- We have publicised the need to report more adverse drug reactions via the Yellow Care Scheme by running a competition between the doctors and the pharmacists. Since this was set up, the number of adverse drug reactions reported to the MHRA via the Yellow card scheme has increased from 19 to 43 (126% increase from 2014/15).
- A TPN errors reduction working group and workshop has highlighted 3 key areas for improvement:
 - Developing criteria for when TPN is appropriate to start.
 - Develop a training package on TPN for nurses and doctors.
 - Develop a new TPN prescription form
- A MSO dashboard is used to monitor progress and training activity
- The Medication Safety Committee have led the Trust response to appropriate national medication safety alerts.
- A new Pharmacy Medication Safety Officer, has been appointed.

Future Goals and Plans:

- A WhatsApp group for Junior Doctors was initiated to communicate medication alerts. Currently we are not utilising this service as intended and is to be re-evaluated for the following year.
- To improve the process of involving prescribers in the incident by forging closer links with the Medical Leads.
- Developing close working links with the new MDSO.
- Assist with the development of an app with the innovation team. This app will allow the patients to have a better understanding of their medications. This is being driven by feedback from children, young people and parent’s workshop.
- Decreasing the incidents that involve TPN and Heparin. To embed the work from the workshops that has been done.
- Develop more medication safety audits including TPN, controlled drugs and critical medicines and involve more staff in undertaking these audits and taking ownership for resulting actions
- Furthering links with ward-based Patient Safety Champions and the newly appointed practice education facilitators



- MSOs continue to provide regular training on many aspects of prescribing, administering and dispensing medicines to medical, theatre, nursing and pharmacy staff.

- To complete and roll out the new electronic Root Cause Analysis tool for all medication errors that result in harm, which includes identification of harm, contributory factors and financial implications.
- Implement a new independent checking process across the trust.
- Reviewing Ulysses functionality to make it easier to report an incident (e.g. more drop down functions).
- Making staff more aware of the Yellow Card scheme. We are planning an open day forum around Yellow Card reporting.
- Running a Medication Safety Week in June 2018 during which we will run medication safety workshops.



A.I.M.S
(Alder Hey Improving Medication Safety)

3.3.7 Reducing Harm from Pressure Ulcers - Sign Up To Safety Pledge

Aim: No avoidable pressure ulcers.

Targets: From the 2014/15 baseline:

1. Reduce avoidable hospital acquired grade 2 pressure ulcers by 50%; this represents 10.
2. Reduce avoidable hospital acquired grade 3 pressure ulcers by 50%; this represents 1.
3. Achieve zero avoidable hospital acquired grade 4 pressure ulcers.

Outcomes:

1. Increase of 11 grade 2 hospital acquired pressure ulcers since 2014/15: this represents 32.
2. Increase of 4 hospital acquired grade 3 pressure ulcers since 2014/15: this represents 6.
3. Achieved zero grade 4 hospital acquired pressure ulcers.
4. Total number of pressure ulcers of grades 2-4 is 38 compared to 23 in 2014/15.

A pressure ulcer is an injury that breaks down the skin and underlying tissue due to pressure, friction and shear or a combination of these. They can be very painful and debilitating and are often preventable. It is recognised that immobilised and acutely ill neonates and children are at risk of developing pressure ulcers, particularly in a critical care environment. Most pressure ulcers within our organisation are associated with medical devices such as cannula and endo-tracheal

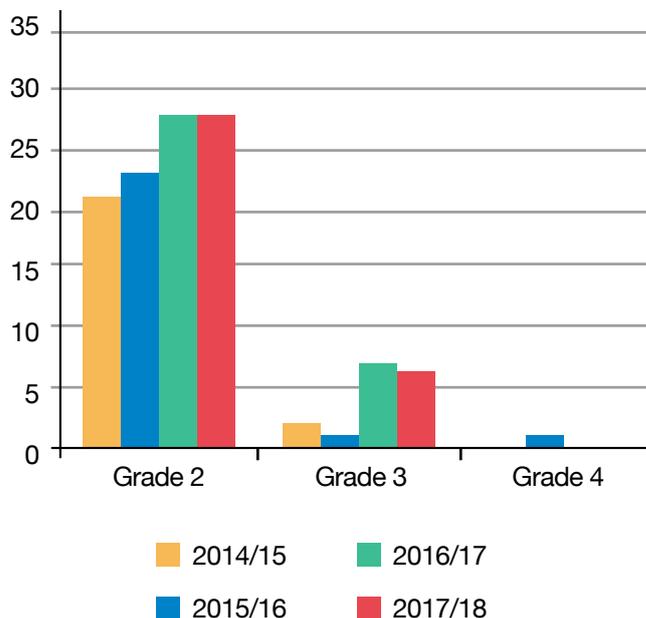
tubes which are reflective of national research showing that most paediatric pressure ulcers are device related.

Alder Hey continues to have a strong focus on education and training in the prevention, recognition and treatment of pressure ulcers and clarifying and simplifying reporting procedures.

Whilst the reported figures in the table below reflect an increase in numbers of pressure ulcers reported, these include all pressure ulcers, avoidable and unavoidable. We have now introduced an improved system of defining when Grade 3 and 4 pressure ulcers are avoidable and are taking specific steps to address these through undertaking Root Cause Analysis and sharing lessons learned. The increase in numbers is reflective of a greater awareness and improved education across the Trust which has led to increased reporting. All of the Grade 3 pressure ulcers are linked to medical devices. Reducing the number of pressure ulcers remains a high priority for the Trust and we continue to take action through the Trust wide pressure ulcer action plan, for example we are seeking to identify a means of safe cushioning of cannula devices to avoid pressure ulcers.

	Grade 2	Grade 3	Grade 4	Total
2014/15	21	2	0	23
2015/16	23	1	1	25
2016/17	27	7	0	34
2017/18	32	6	0	38

Number of Reported Hospital Acquired Pressure Ulcers



Improvements and Achievements 2017/18

- The development of a Trust wide Pressure Ulcer action plan incorporating previous action plans with emphasis on education and training in prevention, recognition and treatment of pressure ulcers. Progress of the action plan monitored through the IPCC and divisional governance meetings.
- Implemented an e-learning package on Pressure Ulcer Prevention and Management and embedded advice on recommended grading of pressure ulcers according to European Pressure Ulcer Advisory Panel.
- Developed an improved investigation tool for Grade 3 and 4 pressure ulcers to determine if it was avoidable/unavoidable
- Embedded the investigation tool in the incident reporting system (Ulysses) for easy access for staff
- Implemented Standard Operating Procedure on the reporting process when a pressure ulcer is identified or suspected.
- All avoidable hospital acquired Grade 3 and Grade 4 pressure ulcers have a comprehensive Root Cause Analysis with action plans developed and implemented.
- Develop a Standard Operating Procedure to support development of tissue viability skills for out of hours staff when specialist nurse is unavailable.
- Development of a support structure for community staff for access to specialised tissue viability knowledge. To include the nomination of link personnel from the community.
- Commencement of a task and finish group to examine and investigate the causes of endo-tracheal mucosal pressure ulcers in the paediatric intensive care unit (PICU) and to make recommendations to help reduce incidences of the same.
- Development of a new Tissue Viability Service to ensure continuity of the service seven days per week; consisting of a Tissue Viability Specialist Nurse, Tissue Viability Support Nurse and Tissue Viability Link Nurse System across the Trust.
- Development of an improved wound assessment tool on the Meditech System.
- To embed the new Tissue Viability Service into the awareness of Trust Staff.
- Development of a rejuvenated Tissue Viability Link Nurse System with monthly meetings and educational sessions supported by industrial partners.
- Replacement/adaptation of the Braden Q assessment tool with a more suitable to the requirements of Alder Hey.
- The exploration of alternative intravenous dressings through the intravenous Access and Therapy Group to help minimise the incidences of cannula acquired pressure ulcers.

Future Plans

- Link e-learning package with Electronic Staff Record (ESR). Work with community nursing team to support management of pressure ulcers in the community
- Development of a classification system, along with CCG partners for the reporting of pressure ulcers.



3.3.8 Peri-operative Care

The focus of the previous report was creating and implementing standards in relation to national policy such as the national safety standards. The focus across this year has been on ensuring these standards are embedded and are useful to the whole team in theatre.

This set out eight key aims for the year ahead alongside a strategy for achieving those aims. On reflection, at the close of 2017/18 all of these aims have been achieved or work has commenced.

Aims and Objectives 2017/18	Achieved
Embed risk, governance and National Safety Standards for Invasive Procedures (NatSSIPS) into mandatory training sessions within theatre.	Mandatory training delivered in house on all update sessions.
Creation of Divisional Infection Prevention and Control (IPC) board.	Now reports into Divisional integrated governance and Trust IPC Committee.
Establish audit process for NatSSIPS.	Peer audit in place, departmental audit plan being completed for next year.
Development of departmental human factors strategy.	Strategy developed, actions underway to embed.
Creation of a surgical site surveillance service for the division.	Business case complete and recruited, database underway.
Undertake baseline safety culture report with plans to repeat bi-annually.	Initial safety assessment undertaken, plan in place to repeat.
Creation of an electronic booking system to improve emergency theatre flow.	Emergency List Information system (ELIS) created and live within department.
Development of strategy for peer support and reduction in stress related sickness.	Strategy developed and funded, will assess impact on work related stress over coming year.

Key Quality Improvements made in 2017/18:

- Development of a business case and funding for the surgical site surveillance programme.
- Agreed changes and funding for the way in which patients requiring surgery for plastics trauma injuries are booked and managed.
- Surgical admissions lounge working group to improve pathway of admission for patients admitted on the day of surgery.
- Approval of a business case for the expansion of the pre-operative assessment service.
- Development and implementation of a clear strategy for human factors training supported by external partnerships.
- Award winning electronic booking system for the emergency theatre.

Surgical Site Surveillance:

Surgical site surveillance is a mandatory reporting requirement for all national trusts within the UK, but a lot of the data required for submission is only relevant to adult surgery. We completed a successful business case to fund and develop a surgical site surveillance team within surgery which will ensure that all sites are surveyed and reported on to support improvements to patient care and clinical outcomes.

Successful recruitment took place in March 2018 and we are currently working with the developer to create a bespoke database for use within the service. We hope to see our first full year's set of data complete at the close of the 2018/19 financial year.



Improving the Quality of Care Provided:

Human factors has been cited as a contributory cause during root cause analysis into many incidents within the department over the past year. It was felt that a multi-faceted approach would be the best way to embed and sustain a change to a human factors way or working to ensure that this becomes the “way we do things around here”.

The quality assurance team with the assistance of some of our clinical staff, clinicians and allied health professionals have worked together to create a model of implementation for human factors training which is currently under way. This will see the development later this year of a clinical simulation package which support team training and communication; with the aim to facilitate a more open culture and improvement in the quality of care for our patients and job satisfaction for our staff.

Improving Care for Patients Requiring Emergency Surgery:

A full time band 7 clinical lead was introduced into the emergency theatre last year. Since this we have seen improvement in the flow and efficiency of the emergency list.

A large part of improving the efficiency has been the development of the electronic booking system (Emergency List information System - ELIS) which

now enables staff all over the hospital to observe who is currently waiting on the emergency list and for what procedure without attending the department. It also allows remote booking of patients as well as prioritisation of list order and better oversight of how long children have been waiting for a procedure.

ELIS was the culmination of months of work across clinical and support teams; and the whole team were ecstatic to be given the award for game changing research and innovation at the annual staff awards.

Key Points of Focus For The Year Ahead:

- Creation of theatre/anaesthetics quality dashboard.
- Development of ‘in-department’ mandatory training package for all theatre staff to access.
- Plan for human factors training development and implementation.
- Work with the regional network to develop a peer review strategy to support benchmarking and consistency of care within the region.
- Embed the TRiM (Trauma Risk Management) model of peer support within the department to enable rapid debrief and support following traumatic incidents.
- Develop and manage a clear SOP database for the whole department which enables us to review our SOPs in a timely way and ensures they are easily locatable for all staff using them.

3.3.9 Best in Operative Care

The Best in Operative Care (BIOC) group set out the below aims for 2017/18. Improvements have been achieved in all areas with some ongoing work which will continue to be tracked and supported throughout 2018/19.

<p>Comprehensive Pre-Operative Assessment Service</p> <ul style="list-style-type: none"> • Develop comprehensive pre-assessment service for all patients undergoing a general anaesthetic • Review processes at other centres to provide a benchmark of pre-assessment service nationally 	<p>Improving Patient Access and Flow</p> <ul style="list-style-type: none"> • Simple, accurate single process booking system • Good communication throughout all phases of patient journey from clinic to theatre • Reduce inpatient bed requirements • Theatre staff involved in list planning for all specialities • Formula 1 theatre teams • Private practice 	<p>Patient Safety First</p> <ul style="list-style-type: none"> • Recognition and accreditation • Completion of overarching policy and risk assessment • Electronic dashboard development to provide oversight and assurance • Surgical site surveillance for all specialities • Updated approach to paediatric life support/resus training • Embed and audit use of NatSSIPs
<p>Staff Development and Well Being</p> <ul style="list-style-type: none"> • 95% compliance with mandatory training and CPD requirements • Plan in place for all staff to have a qualification for the role they perform • Human factors training in place • Development of a Band 6 leadership programme and first cohort trained • Clear development plan for all staff • Improved staff survey results • Communication strategy • Staff recognition • Reduction in sickness 	<p>Emergency Surgery</p> <ul style="list-style-type: none"> • Senior leadership across six days • Electronic booking system • Development of a set of Emergency Surgery standards • Robust training and development plan in place for all emergency staff • Review of early bird pathway • Coordinate the line list 	<p>Materials Management</p> <ul style="list-style-type: none"> • Enhanced Materials Management Team • New contract for decontamination of surgical instruments • Theatre non-pay spend in line with budget • Capital replacement programme with budget • STP and HTE procurement projects

Notable achievements included:

- Implementation of ELIS (Emergency List Information System) across all specialties, winning the Game Changing Innovation award at the staff awards in January 2018.
- Delivering human factors training to over 55% of theatre and surgical staff (from 0% in April 2017).
- Pre-operative assessment delivered to 4,344 children in 17/18 (an increase of 600 patients compared to the previous year).
- Reduction in never events relating to theatres.

When planning the workstreams for 2018/19 the focus has been on “doing the basics brilliantly” with the team wanting to lead change not just for the surgical division but with workstreams which will be far reaching and impact upon care for all patients and families attending the Trust.

The metrics for improvement have been defined and presented as part of the annual plan and monitoring of these improvements will take place via the BIOC group.

<p>Pre-Operative Assessment Service</p> <ul style="list-style-type: none"> • Improve safety, quality and patient experience • Reduce cancellations 	<p>Incident Reporting and Management</p> <ul style="list-style-type: none"> • Use of Ulysses within Theatres • Safety Culture 	<p>Workforce Development</p> <ul style="list-style-type: none"> • NatSips • Recruitment and Retention • CPD, Training, Career progression • Human Factors
<p>Emergency Surgery</p> <ul style="list-style-type: none"> • Consolidate and further improve Emergency pathways 	<p>Materials Management</p> <ul style="list-style-type: none"> • Reduced incidents/ cancellations due to stock • Reduce expired stock/wastage • Reduce cost 	<p>Theatre Scheduling and Planning</p> <ul style="list-style-type: none"> • Re-allocated sessions • Review under-utilised lists • Realignment of sessions

3.3.10 Equality and Diversity

Alder Hey continues with its commitment to try to ensure that its services offer equal access for all communities who need to use them and that all employees experience equal opportunity in employment. This means that we actively seek to engage with patients, parents and carers, as well as members of staff, to ensure that we do not discriminate against any individual and that the diversity of each individual is valued. The principles of equality and diversity are core elements of the Trust’s stated Values, which are reinforced through the Trust’s induction programme and personal development review for all staff. We are able to monitor our performance in meeting our public sector equality duties (PSED) as required by the Equality Act 2010, the NHS Constitution, CQC inspection questions and NHS commissioners through:

1. Equality Delivery System (EDS2) that has eighteen outcomes and four goals:

1. Better Health Outcomes
2. Improved Patient Access and Experience
3. A Representative and supported workforce
4. Inclusive Leadership

2. Workforce Race Equality Standard (WRES) that has 9 indicators comparing the data for white and black & minority ethnic (BME) staff. Four are based on workforce profile data, four on data from the NHS staff survey questions and one on BME representation at board level.

Aim: For Alder Hey to be an inclusive and accessible place for all to visit and work, to meet our duties and in so doing to provide the best patient care possible.

Targets: From the 2016/17 Equality Objectives Plan:

- To increase the representation of black and minority (BME) ethnic staff
- To improve the experience of families with learning disability/autism that visit Alder Hey
- To improve the involvement of patient and staff stakeholders in decision making
- To improve the quality of staff data
- To improve the quality of patient data
- To ensure equality is embedded through the quality strategy
- To broaden equality training opportunities for staff

Improvements:

- Increased the Black and Minority Ethnic (BME) representation in the workforce from 190 to 222, representing a 0.7% increase (refer to Section 3.3.4 for details).
- Developed induction training package for all volunteers and nurses in Learning Disability and Autistic Spectrum Condition awareness.
- Developed a flag on hospital computer system for easy identification of patients with a learning disability.
- Developed risk assessment/Mental Health First Aid training for all areas across the Trust.
- Adopted a collaborative approach with several Trusts in close partnership with Merseyside Clinical Commissioning Groups to improve existing Equality Delivery System (EDS2) outcomes, with Alder Hey focussing on EDS2 goals 1 and 2 (patients). This work is ongoing and will identify priorities for 2018/19.
- EDS2 goal 3 (workforce) is supported by the Trust staff BME Network and the Disability Network that represent the views of these staff groups. The BME network also supports the progress of the Workforce Race Equality Standard (WRES) action plan.
- The Trust continues to be a member of the community advisory group.
- Implemented the self-service aspects of the employee staff record (ESR), thereby providing staff with greater control over their personal data including demographic data.
- Published our first gender pay gap report.
- The Trust has provided for British Sign Language Video Remote Interpreting (VRI) located in the Emergency and Outpatient departments, available to all staff. This provides instant BSL interpretation services when required.

Future Plans

- Establish an Equality and Diversity Steering Group. This will enable the Trust to continually monitor performance responding to evolving contractual and legislative requirements and the priorities identified by stakeholders.
- Continue to improve the quality of patient and staff data particularly in terms of capturing protected characteristics.
- Continue to improve the quality of equality analysis (EA) and strengthen the assurance process regarding EA and to provide support to project and policy leads to ensure lawful decision making.
- Research to identify barriers to accessing services will be undertaken through engagement with stakeholders in the community

- Explore how our services can be made more accessible in relation to information formats and communication support for families and recording these preferences on patient records
- Further work collaboratively with commissioners and local Trusts to broaden opportunities to engage with different community groups to progress the Trust's equality objectives.
- Continue to make training opportunities in cultural competence and unconscious bias available for staff.
- Undertake a detailed analysis of the results of the Gender Pay Gap Report and take steps to reduce the gender pay gap.

3.3.11 Improving the Transition from Children and Young People Services to Adult Services 2017/18

Aim:

To establish a good quality, safe, effective and seamless transition to adult services, for children with complex long term conditions.



Transition to adult services (transition) is defined as “a purposeful, planned process that addresses the medical, psychosocial and educational/vocational needs of adolescents and young people with [long term] conditions as they move from child-centred to adult-oriented health care systems’ (DfES 2006).

Transition to adult services ensures that young people are able to access the most appropriate services according to their age, developmental needs and the nature of their long term condition. If young people are not adequately supported through transition they may not engage with adult health care providers, and this increases the risk of deterioration of their long term condition. Transition to adult services can be a traumatic period for young people, who commonly fall between services or ‘disappear’ during transition, disengaging from services and becoming lost to follow up, only to present later in life with potentially avoidable complications. Additionally, if young people remain inappropriately in children’s services there is less capacity within the Trust for younger children and babies.

Achievements in 2017/18

- North West Multi-organisational Transition Network founded and chaired by AHFT
- Planned and delivered a national transition conference at Alder Hey 29th June 2017 attended by over 100 delegates. Excellent evaluations
- Won award for £3,200 from Vertex to support the development of a five minute patient transition story/ film
- Delivery of Multi-organisational transition training by AHFT (including social care and Education), over 30 hourly sessions delivered
- National engagement and attendance at Alder Hey from other Trusts interested in improving transition developments
- Ratification of Trust Transition policy
- Secured a two year 2017-2019 CQUIN from NHSE planning transition for young people with neuro-disabilities, achieved all milestones Q1-Q3 and expected to achieve all in Q4
- Development of draft 10 steps transition programmes, health information passports and transition care plans for all young people 14 years plus who have complex neuro-disabilities
- Delivery of non-clinical transition preparation clinics for young people with complex neuro-disabilities
- Implementation of transition preparation into a further four specialities 2017/18
- Worked with information technology team towards identifying a sensitive, reliable and reproducible method for identifying any patients of transitional age
- Transition embedded into patient electronic records - Meditech 6 - go live 26/02/18
- Transition map updated
- Development of transition dashboard/report
- Transition applied to Trust incident reporting electronic system - Ulysses
- Commenced work with two large Liverpool GP practices to re-engage GP's in the transition of their patients
- Newsletter continued to share transition information Trust wide
- Working with innovation hub on a number of projects to support transition (APP & OBLIGE OMEGA)
- Development of the 10 steps transition patient folder
- Continued support for research CLAHRC and PhD student researching AHFT 10 steps transition
- Presented and engaged with two large GP practices in Liverpool around transition of their patients who have complex neuro-disabilities, and ADHD/ASD where there is a service gap between 16-18 years

- Continue to engage with schools - EHCP planning for young people with complex neuro-disabilities
- Support for day placements for student nurses
- Presented at C&YP and parents forums twice this year to engage and receive their feedback on transition work and patient information leaflets



- Business case developed for the continuation of transition nurse lead role
- Won an award of £75K from The Health Foundation to continue to develop the Carer Skills Passport which is a key enabler for transition of complex neurodisability patients (www.carerskillspassport.org.uk)
- Distributed 'banner pens' with 10 steps Transition pathway information incorporated into pen
- Held a number of stands promoting Transition in hospital atrium
- Presented transition and a Carer Skills passport stands free of charge at the Manchester Kidz to Adultz event
- Development of a Trust 'Consent and confidentiality' patient information leaflet in partnership with Edge Hill University
- Completed an equality and diversity self-assessment against Trust transition policy and met all requirements
- Met and shared 10 steps transition pathway, AHFT work to date and given contact details of Transition team with Liverpool Hope and John Moores Universities if they require any support and advice regarding young people transitioning to their establishment
- Self-assessed against the Your Welcome standards and achieved
- Developed a works team to develop a pathway for YP with complex neuro-disabilities from paediatric specialist respiratory physiotherapy to adult respiratory physiotherapy, this includes representation from paediatric and adult commissioners, physiotherapy service managers, and service managers. This remains operational

and continues to work towards finding a solution. Proposed plan is to pilot transitioning one patient, and delivering joint paediatric and adult physiotherapy to support training and development for adult services

- Presented AHFT Transition work at Greater Manchester Health and well-being board and have been identified as key players and invited to return to the group in March 2018
- Become members to represent AHFT at the National transition network
- Invited to present AHFT at National AQuA event in March 2018
- Presented at AHFT Grand Round
- Working closely with community paediatricians to address service gaps for ADHD/ASD patients moving to adult services, and prescribing issues with GP's
- After working in partnership with AQuA two years ago on developing a paediatric friendly 'Ask 3 Questions' the draft versions have been received for comments, we have given feedback and are awaiting confirmation to implement. We have requested Alder Hey's logo to go onto these documents



Front page of transition website at www.10stepstransition.org.uk

Future Plans for 2018/19

- Further develop work on transition of patients with complex conditions as per CQUIN for 2018/19
- Implement the transition folder for children with a long term condition, to hold all their transition specific information in and their personal transition plan
- Planning a third National Transition Conference, to be delivered in partnership with Lancashire, Manchester, NW Coast SCN, MHT, Claire House and Alder Hey, as a North West approach to Transition to be held in June 2018
- Development of a 'capacity, decision making and best interest' information leaflet in partnership with Edge Hill University
- Continue to implement Transition specialty by specialty Trust wide.

3.3.12 Learning Disability Strategy

Aims:

- To improve the experience of children with a Learning Disability (LD) and/ or Autistic Spectrum Condition (ASC).
- Improve Trust's ability to identify children with a LD/ASC and respond to their needs through the provision of reasonable adjustments (Equality Act 2010).
- Raise awareness of LD/ASC amongst staff through bespoke training.
- To build upon service user/carer and partnership involvement in the LD/ASC strategy across the trust.

Approximately 1.5 million people in the UK have a learning disability (LD), including approximately 286,000 children. Research shows that men with a LD die 13 years sooner than peers, and women die 20 years sooner than peers.

In partnership with Edge Hill University and supported by commissioners, Alder Hey has made significant improvements to the LD pathway.

Reasons for Change

Children and Young people with LD can present to any service or specialty in the hospital and community. The Trust recognises the need to identify this group of children as early as possible to ensure the provision of reasonable adjustments (Equality Act 2010) to support their timely and successful access to healthcare, and promote the best experience possible.

Following cessation of the Trust agreed CQUIN (Commissioning for Quality and Innovation) which was designed to improve aspects of the LD pathway and access to care, the Trust has made significant progress in meeting the needs of this population.

In January 2018 a full time acute liaison team was formed to continue to drive the LD/ASC agenda forward in the trust. This team will continue to build on improvements and will contribute to the ongoing partnership work across Liverpool via the Acute Liaison Network that has continued post CQUIN hosted by Liverpool CCG.

Improvements

- Continued long term secondment agreement (5 years) for the Consultant LD nurse post
- Formation of LD/ASC liaison team which will include
 - Full time LD liaison nurse
 - Part-time play specialist
 - Part-time admin support
 - Part-time LD nurse contribution (across site, released from clinical areas) to team
- 4 LD nurse appointments within the Trust across clinical areas
- Established Learning Disability and Autistic Spectrum Condition Steering Group
- Established parent and child reference groups to support steering group and trust consultation (Millstead, Bank View and Redbridge schools)
- Established partnerships with voluntary and independent sector organisations e.g. Contact a Family, Autism Together
- Ongoing participation in CCG hosted Liverpool Acute Liaison Network
- Mandatory training LD awareness e-learning pack rolled out
- Ongoing training – e.g. Learning disability and ASC awareness via induction training for all volunteers and nurses that is the pan-Liverpool LD health training pack (used in all acute sites in Liverpool – developed with Liverpool Mencap as part of the Liverpool Acute Liaison Network)
- Ongoing risk assessment/ mental health first aid and Positive Behaviour Support (PBS) training across the trust (rolling programme available to all areas)
- Ongoing autism awareness training for all staff provided by Autism Together
- Developed LD indicator for easy LD identification on Meditech (Trust wide computer system)
- Developed ‘LD champions’ training and new champions identified
- Developed LD resource pack and pilot in clinical areas - including pathways
- Pilot of hospital passport/ risk assessment and reasonable adjustment tools as per Liverpool acute liaison Network strategy
- Developed academic and practice links across Edge Hill University and Alder Hey children’s hospital to support student journey/experiences and ultimately recruitment for the Trust.

Future Plans

- Continued development of the five day acute liaison service across site (LD nurse workload model and supervision)

- Trust strategy to have an LD trained nurse on every ward. Further recruitment planned
- Continued development of LD/ASC steering group and parent/ child reference groups
- Development of Alder Hey information pack for children and families with LD/ASC in conjunction with Liverpool network
- Continued roll out of hospital passport, a one page profile, communication passport
- Continued attendance and benchmarking across Liverpool acute network and nationally re best practice
- Further implementation of risk assessment and reasonable adjustment tools across the Trust
- Continued rolling programme of training across all clinical areas - bespoke training planned for clinical areas where requested
- Implementation of toy library proposals - across site access to sensory and specialist toys for all children with LD and additional sensory needs
- Continue development of LD champions and resources
- Continue to support clinical areas in the development of specific pathways for children with LD/ASC
- Improve external communication with families e.g. through electronic/media etc.
- Develop further the use and availability of communication tools across areas to increase staff awareness.
- Continued identification of research streams and dissemination of best practice across professional networks e.g. LD Consultant Nurse Network , Learning Disability Research Network.

3.3.13 Nurse Staffing

Aims:

- To have zero nursing vacancies.
- To sustain a Nurse Pool to cover maternity leave and long term sick cover and fill ward/department vacancies.
- To have a proactive recruitment campaign.
- To have a nursing workforce who have the right skills and receive the right training for the job.

Changes or deficiencies in the nursing workforce can have a detrimental impact on the quality of care. Patient outcomes, and particularly safety, are improved when organisations have the right people, with the right skills, in the right place at the right time.

In November 2017, the National Quality Board (NQB) published improvement tools specifically for the care of children and neonates: *Safe, Sustainable and Productive Staffing: An improvement resource for children and young people's in-patient wards in acute hospitals / neonatal care*. The improvement resources are based on the 2013 NQB guide to nursing, midwifery and care staffing capacity and capability that sets out the need for safe, effective, caring, responsive and well led care, on a sustainable basis, that ensures the right staff with the right skills are in place the right place at the right time. The Trust is undertaking a review of all ward establishments in line with this new guidance which will be reported to the Trust Board.

In line with Department of Health Hard Truths Commitments (2013), all trusts are mandated to provide nurse staffing information on a monthly return via the National Reporting and Learning System and publish this data at ward level and make the information available to the public. The Trust is compliant with submitting data to the public through NHS Choices, on the Alder Hey website, and at ward level. A monthly ward fill rate of 90% and over is considered acceptable nationally. Fill rates for 2017 demonstrated that the overall staffing level was consistently higher than 93% throughout the year. The staffing levels reported are the head count on each shift which does not analyse skill mix or the impact of temporary staff on a shift.

The Trust has continued to successfully recruit to vacancies through collaborative working with our education providers, national recruitment days and bespoke recruitment in specialty areas. Additionally there has been a key focus on reducing the use of agency staff, which in addition to reducing expenditure, also provides safer nursing care with staff employed directly by the Trust. Use of nurse agency staff has continued to be low in 2017 with virtually no agency used in summer months, with 0.2 WTE used in August 2017 which is the lowest ever rate. In 2017, the Trust took the decision to take non-complaint agencies off our framework and only use agencies that are compliant with the rate cap. We have been able to do this due to the increased numbers of registered practitioners recruited, with 114.68 WTE registered staff recruited in 2017.

Safe Staffing Levels and Compliance with RCN Guidelines

To continue to monitor and improve staffing levels, an audit against the RCN standards has been repeated in February 2018 involving the Ward Managers, Matrons and Associate Chief Nurses for all in patient and day case wards.

A previous audit of compliance against the core standards conducted in February 2017 demonstrated

Trust compliance with 12 standards, partial compliance with 3 standards and no compliance with one standard as shown in the thermometer below:



The February 2018 audit has demonstrated an improvement against the standards compared to February 2017 with core standard 14 moving from a rating of Red (no compliance) to Amber (partial compliance) following the appointment of Matrons, and core standard 3 moving from Amber (partial compliance) to Green (full compliance) following a comprehensive review of resuscitation training incorporating identified service need for Advanced Paediatric Life Support trained nurses on each shift. This is demonstrated in the 2018 thermometer below:



The areas for improvement rated Amber above relate to:

Core standard 1: All clinical areas are required to have a supernumerary shift supervisor: Not all wards have an establishment funded for a supernumerary shift supervisor however there have been significant improvements in 2017 with increased funded establishment on three wards resulting in supernumerary shift coordinators. Six wards are fully compliant with this standard. Partially compliant wards allocate a nurse to take charge and co-ordinate the shift. All wards have a Ward Manager who is supernumerary and benefit from presence of a supernumerary Matron.

Core standard 5: There should be a 25% increase in nursing establishment to cover annual leave, sickness and study leave: Alder Hey provision is capped at 23% from 2013/14. The impact of this will continue to be monitored and evaluated between nursing and finance staff particularly the impact of the proposed Clinical Educator role in 2018.

Core standard 14: There should be access to a senior (Band 8a) children's nurse for advice at all times. This standard has moved from Red to Amber following the establishment and appointment of a Matron structure. An experienced Band 6 or 7 provides support to the nursing team out of hours through the Patient Flow, Night Matron and Senior Nurse bleep holder.

In further progressing the work towards the aims of having zero nurse vacancies, sustaining the Nurse Pool, recruiting proactively, and ensuring the provision of a nursing workforce who have the right skills and receive the right training for the job, the Trust has made the following improvements:

Improvements

Recruitment:

- 114.68 WTE front line nursing staff recruited in the last 12 months.
- The development of a responsive recruitment culture with evidence of strong partnership between senior nurses and human resource staff, notably working together on two successful national recruitment days and a comprehensive induction programme for new nursing staff.
- Nurse Pool sustained to cover maternity leave, sickness and vacancies.
- Development of nurse recruitment working group.
- Review and revamp of the nurse national recruitment day.
- Revamp of the Nurse Induction Programme.

Safe Staffing Levels

- Significant reduction month on month in the closure of beds to admissions due to nurse staffing levels.
- Reduction in cancelled operations due to “staffing unavailable”.
- 11 additional beds opened and staffed sustainably to support bed availability due to projected winter pressures.
- Increased funding of the Nurse Pool from 20 WTE to 40 WTE.
- Increased ward based funded establishment for registered and unregistered nurses on four wards
- Increased PICU funded establishment to support safe and effective provision of ECMO.
- Comprehensive review of nurse staffing on Tier 4 CAMHS ward.
- Increased fill rates via NHSP for both registered and unregistered staff.
- Reduction in use of “agency rate” payment leading to significant savings.

Strong and Effective Leadership Structure

- Introduction and recruitment to a Matron structure across the three clinical Divisions.
- Introduction and recruitment of a specific HDU Ward manager to provide dedicated leadership.
- Internal promotion and external recruitment to Band 6 and Band 7 posts.
- Introduction and recruitment of a Play Manager to enhance and improve the play and recreation provision for children and young people.

Educational Developments

- Increased number of places to train Advanced Nurse Practitioners secured and recruited to enhance nursing practice and assist in the reduction of Junior Doctors.
- Partnership working with HEI to run a new training programme for individuals educated to Masters level to undertake a shortened course to become a registered Children’s nurse. Cohort due to complete course in April 2018.

Quality Metrics

- Reviewed and enhanced monthly Safety Thermometer point of care survey designed to measure commonly occurring harms and support improvements in patient care and experience.
- Reviewed and enhanced Ward Accreditation scheme, a quality initiative where wards across the Trust are regularly inspected by an independent senior team of nurses and patient experience leads assessed against a range of measures based on the Care Quality Commission’s Key Lines of Enquiry (KLOE’s).

Future Plans

- Continue proactive recruitment of student nurses
- Development of nurse apprenticeship and nurse associate programmes.
- Ensure that the nursing workforce strategy is a continuing integral part of the overarching Trust strategy.
- Review and revamp the Preceptorship programme
- Work with the Communication Team to develop a recruitment offer including a brochure and handouts for the recruitment days.
- Explore developing an offer of nursing rotational posts
- Continue monitoring vacancies, turnover rates and daily staffing levels with work feeding in to Workforce sustainability group.
- Review the potential to implement an E Roster system to support staff management of shifts.
- Review provision and resourcing of nurse education requirements in line with new Nursing & Midwifery Council (NMC) standards for nurse training due May 2018 and ongoing specialist training needs.

3.3.14 Management of Complaints and Concerns

The model of devolved governance implemented through the quality strategy is intended to drive early supportive intervention by the relevant clinical teams & Divisions so that children, young people and their families/carers have the best experience, with any issues raised locally being dealt with immediately and appropriately.

Whilst formal complaints have increased in year, the overall trend from 4 years ago remains positive. When compared to activity levels, the number of complaints represents 0.025% of hospital attendances.

PALS attendances have also increased this year. When compared to activity levels the number of PALS attendances represents 0.4% of hospital attendances in the year.

	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18
Formal Complaints	166	134	70	66	83
PALS	1248	1133	1246	1294	1349

Improvements

- Further embedding of the model of devolved governance to drive early supportive intervention by the relevant clinical teams/Divisions
- Complaints and PALS update now form part of a Divisional quality dashboard report provided monthly to the Clinical Quality Steering Group
- Appointed to new role of Head of Quality for corporate services, with expertise in management of complaints.

Future Plans

- *Improve training for clinical teams*

In 2018/19 there will be bespoke training for clinical teams relating to “managing concerns and complaints”. This will aim to support staff in effectively handling parents/carers/children’s concerns and finding resolution in the clinical area before there is escalation of this formally.

- *Keeping records of local concerns*

Staff will log local concerns in Ulysses so there is a full understanding of issues being raised at ward and department level.

- *Improve learning from complaints*

Learning from complaints will be one of the year’s objectives, to understand how we can compassionately and with consideration share the complaints raised and ensure Trust staff are aware of any actions we have implemented to ensure these issues do not occur again.



APPENDIX 1: REPORTING AGAINST CORE INDICATORS

Target or Indicator	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Summary Hospital level Mortality Indicator (SHMI) ¹	n/a	n/a	n/a	n/a	n/a	n/a
C. Difficile Numbers - Due to Lapses in Care	0		0	0	0	0
C. Difficile - Rates per 100,000 Bed Days	0	14.4 ²	0	0	5.8	0
18 Week RTT Target Open Pathways (Patients Still Waiting for Treatment)	92%	87.9% ³	92%	92%	92%	92%
All Cancers: Two Week GP Referrals	100%	94.9% ⁴	100%	100%	97%	100%
All Cancers: One Month Diagnosis (Decision to Treat) to Treatment	100%	97.7% ⁴	96%	100%	96%	100%
All Cancers: 31 Day Wait Until Subsequent Treatments	100%	97.7% ⁴	100%	100%	100%	100%
A&E - Total Time in A&E (95th Percentile) <4 Hours ⁵	95%	85% ⁵	95.97%	95.29%	93.77%	94.61%

Target or Indicator (per 2013/14 Risk Assessment Framework)	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Readmission Rate Within 28 Days of Discharge ⁶	National Data Collection Methodology Currently Under Review	0-15 Years:	9%	11%	10%	11%
		16 Years and above	10%	18%	17%	18%
% of Staff Who Would Recommend the Trust as a Provider of Care to Their Family Or Friends		80% ⁶	79%	Not Completed	84%	

Target or Indicator (per 2013/14 Risk Assessment Framework)	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Staff Survey Results: % of Staff Experiencing Harassment, Bullying or Abuse from Staff in the Last 12 Months ⁷		24%			21%	
Staff Survey Results: % Believing That Trust Provides Equal Opportunities for Career Progression or Promotion for the Workforce Race Equality Standard ⁷		85.2%			81%	
Rate of Patient Safety Incidents per 1000 Bed Days ⁸		56	75	75	68	76
Total Patient Safety Incidents and the Percentage that result in Severe Harm or Death ⁸		0.22%	1302 (0.15%)	1290 (0.08%)	1215 (0.16%)	1424 (0.14%)
Diagnostics: % Waiting Under 6 Weeks	> 99%	98.6% ⁹	100%	100%	100%	99.9%

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

¹ Specialist Trusts are excluded from SHMI reporting.

² C Diff Rates based on Specialist Trusts rate for Qtr 1-3 2017/18 as per HED benchmarking analysis Qtr 4 rate represents 1 incident of C difficile in the quarter. This was the only reported case for 2017/18.

³ National Performance based on most recent published data for Feb 2018, NHSE website.

⁴ National Performance is based on most recent published Quarter 3 data for 2017/18, NHSE website.

⁵ A&E National Performance based on most recent published data for Feb 2018, NHSE website.

⁶ Data source: Trust Patient Administration System – not published nationally.

⁷ Data source: 2017 Staff Survey <http://www.nhsstaffsurveyresults.com/key-findings-by-trust-type/> (national performance based on performance within the 'Acute Specialist' Sector group).

⁸ Data source: Trust Incident Reporting System (Ulysses) – national data is based on most recent available data (Apr17- Sep17) NRLS data for Acute Specialist Trusts <https://improvement.nhs.uk/resources/organisation-patient-safety-incident-reports-21-march-2018/>.

⁹ Diagnostics national performance based on most recently published data (February 2018) <https://www.england.nhs.uk/statistics/wp-content/uploads/sites/2/2018/04/DWTA-Report-February-2018.pdf>.

Alder Hey Children's NHS Foundation Trust considers that this data is as described for the following reasons.

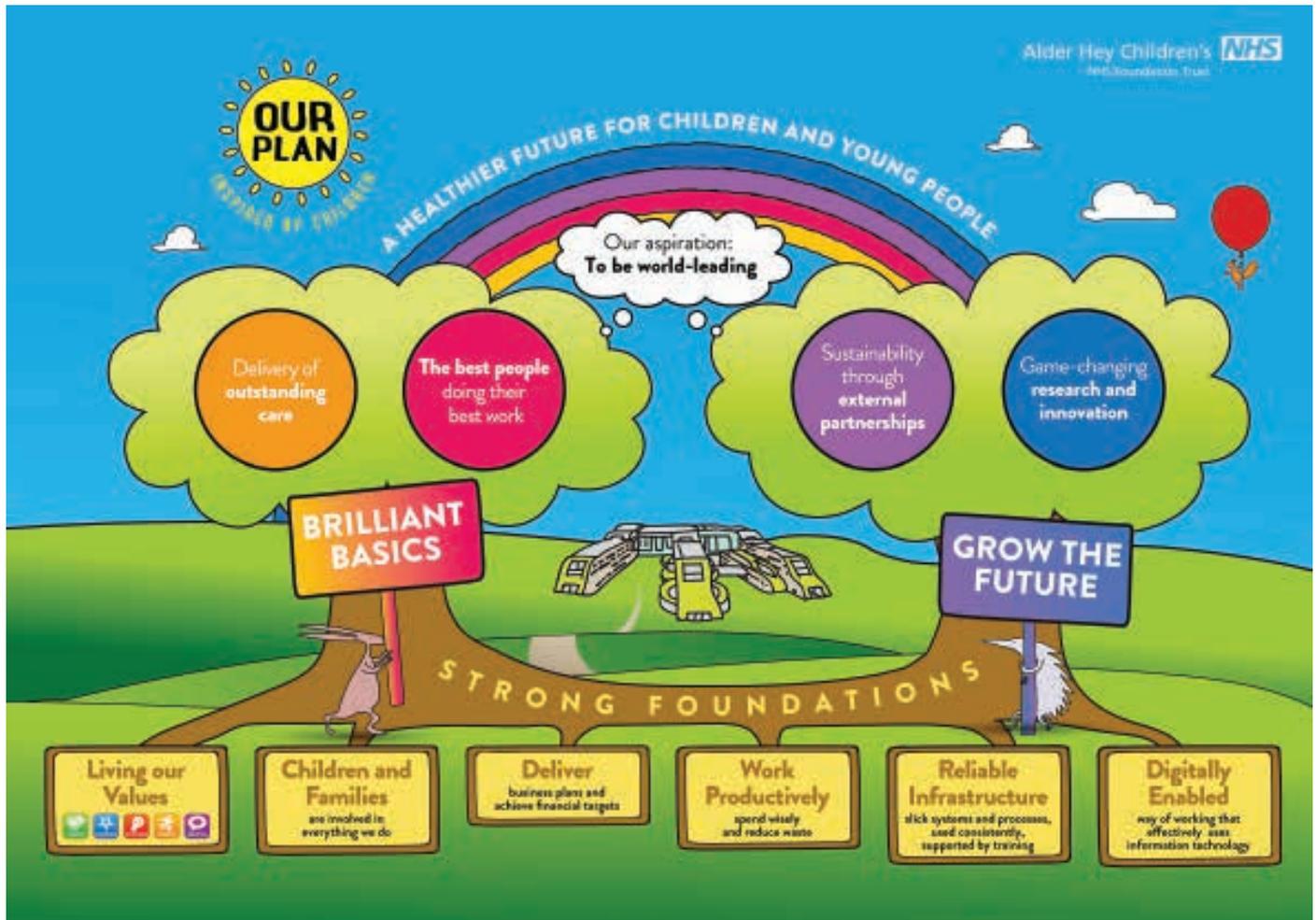
- The indicators are subject to a regular schedule of audit comprising completeness and accuracy checks which are reported monthly via the Data Quality Steering Group

The Trust is taking the following actions to improve the scores and so the quality of its services, by:

- Continuing to review and refresh the Infection Control Delivery Plan.
- Placing significant resource and effort into Winter Planning to predict and mitigate peak activity weeks, so as to improve patient flow throughout the hospital and deliver improvement in the A&E targets

For all other indicators the trust is maintaining and improving current performance where possible.

APPENDIX 2: ALDER HEY STRATEGIC VISION AND AIMS ‘PLAN ON A PAGE’



STATEMENTS ON THE QUALITY REPORT BY PARTNER ORGANISATIONS

Commentary from Governors

“I am satisfied that this thorough report addresses areas of development by monitoring action plans, targets and outcomes closely, using reliable evidential bases and statistics.

The aim at Alder Hey is to be world class in every aspect of providing high quality medical and health care to children and young people. All concerns are addressed with considered action and a full understanding of the real issues involved. Complaints are taken seriously and the voices of children, parents and carers guide service development.

I am confident that this report reflects the remarkable efforts staff are making on their journey to meet milestones and excel in their practice.

I am happy to commend this report.”

Councillor Barbara Murray – Appointed Governor, Liverpool City Council

“Thank you for giving me the opportunity to comment on what is a very thorough and comprehensive quality report.

There are two specific areas which are of special interest to me;

- One, the involvement of children in the development of quality and services - which is an achievement identified for 2017/18 in the quality improvements progress update and
- The participation in clinical audit both nationally and locally. The Trust is clearly committed to involvement across a whole range of clinical specialities and demonstrates wholehearted participation in work which better identifies outcomes and the quality of care given to our patients.

I would recommend the Trust's approach to achieving quality care and service development."

Kate Jackson – Public Governor for Greater Manchester and Lead Governor

"I am an elected Parent and Carer Governor with the Trust, second term of office. I confirm that I have read through the Quality Accounts for 2017/18 and believe them to be a sound reflection of the transformational work undertaken within the Trust during the period in question."

Pippa Hunter-Jones – Parent & Carer Governor

Commentary from Healthwatch Organisations



Healthwatch Liverpool welcomes this opportunity to comment on the Quality Account of Alder Hey Children's NHS Foundation Trust. We base these comments on the content of this Quality Account, our ongoing engagement with the Trust and feedback received from patients and families. We feel that the Quality Account produced by the Trust this year is both clear and reader-friendly.

On 17th July 2017 we visited the Accident and Emergency Department of the Trust for a Listening Event. We spoke to patients and their parents/carers to find out about their experiences of the service. The feedback we received was generally very favourable and 67% of those surveyed rated their experience as either good or very good. Although some people were unhappy about the waiting time to be seen, there was a lot of praise for the dedication and caring approach of the staff.

We have a further Listening Event arranged for 24th May 2018 which will cover other wards and departments within the Trust.

We congratulate the Trust for their positive CQC inspection report which rates all areas as 'Good' with the exception of the 'Caring' domain which was rated as 'Outstanding'.

There have been many positive steps this year in the area of patient experience including innovations such as the Alder Play and small dances apps which demonstrate a creative use of technology for the benefit of patients. We are also pleased to see other examples of the use of creativity and the arts. Given how tight NHS budgets are at the moment it is encouraging that the Trust have been able to secure external funding for these.

It is positive to see that the Trust has engaged with patients and families and used feedback to achieve improvements. A good example of this is the improvements made to signage and wayfinding as a result of feedback.

We are encouraged by the Trust's attention on issues of equality and diversity, particularly some progress towards increasing the number of BME staff, although more work remains to be done. We look forward to seeing progress around equality and diversity continue over the coming year with an increased focus on patients and patient experience.

We are pleased to see the range of work that has been undertaken in relation to young people transitioning into adult services and also around care for those patients with a Learning Disability. We look forward to seeing how this improves patient experience.

The Quality Account does highlight some areas of concern including an increase in the number of grade 2 and 3 pressure ulcers. The majority of these ulcers have been caused by medical devices and we are reassured to see that the Trust will be actively working with manufacturers in an attempt to reduce such occurrences.

Overall we are pleased to see the positive improvements detailed in the Quality Account and reassured that areas of concern are being actively addressed. We look forward to continuing to work closely with the Trust over the forthcoming year.

**Robert Benn
Information and Project Officer
Healthwatch Liverpool**

Healthwatch Sefton welcomed the opportunity to comment on the draft version of the Trusts Quality Account.

We have had support from Sefton Parent Carer Forum in reviewing this account. The forum is a member of our steering group and has over 800 members. On page 82, the Trust refers to engaging with the parent forum, which we assume is an internal forum. Over the next 12 months, it would be great for the trust to engage in dialogue with Sefton Parent Carer forum.

In reviewing the key priorities which were set for quality improvements (2017/18), it was good to read the achievements which the Trust has made in embedding a safety culture throughout the organisation, with incidents being reported. The work to reduce hospital acquired infections is noted with the 46% reduction in the number of infections since 2014/15. Despite the account sharing a number of improvement areas relating to action on pressure ulcers, increases in grade 2 and grade 3 pressure ulcers were seen. We would like to see a reduction in pressure ulcers over the next 12 months.

In the work to increase engagement of children, young people and families in improving the quality of services, the target for the Friends and Family test was just missed. From working with the trust over the past 12 months, we are aware that the Trust is looking at ways to increase take up of this, particularly with community services, in particular Child & Adolescent Mental Health services. In addition, we felt that information relating to this service was lacking within the account.

In the draft version of the account, on page 137 it was very difficult to review information within the table and therefore we were unable to review Friends and Family data in full.

In looking at the work to co-design service improvements with children and their families, the Trust is innovative in its methods. However it would have been great to have read more about how children and families find out how to get involved in this area of work.

It was good to read about the improvements made to outpatient services and access to booking systems. We would be interested in finding out more about this work as these are two areas in which we receive feedback on, particularly for services which are not delivered on the main Trust site.

One of the other areas which we have received feedback on is medication. Issues relate to the processes that are followed to get the correct medication to families in a timely manner. There have been difficulties for parents getting medication within the 14 day window that is stated on all paperwork. We have concerns about the processes that are in place within the pharmacy to deal with repeat prescriptions and whether they have adequate staffing in place to get medication to families.

The inclusion of the PLACE assessments was welcomed and the findings relating to cleanliness and privacy and dignity. Disability had worsened but we have been informed that the results for this are linked to services which are still delivered on the retained estate where some clinics are still held.

We have had meetings with the Trust over the past 12 months but they have not been as regular as in previous years and we would welcome meetings every three months moving forward. However during those meetings held, we have gained useful updates on progress made with the Equality and Diversity agenda and we are particularly pleased to see an increase in both quality and equality impact assessments being undertaken. On page 129, reference is made to signage in various languages. Is there any plan to add visual signage for example, Makaton/Signalong/ Boardmaker for young people that require visuals to support their reading? In reviewing information about hospital passports/ risk assessments and reasonable adjustments it would be good to find out how families gain access to this to make sure they have everything in place for their child/children.

In looking at the ward accreditation scheme 'Journey to the Stars' has the trust engaged with staff to find out how they perceive this and how it affects staff morale?

Page 140 details the work and improvements with Learning Disabilities and Autism. We note that the reference groups involved in this work were from Liverpool schools only. Is there any intention to look at the surrounding local authorities, including Sefton? In moving forward with this work, again good contacts for the Trust to make will be with the differing parent carer forums across Merseyside and wider.

It is good to have sight of the priority areas for 2017/18. We would have welcomed an invitation to the quality summit which was held 14th May but look forward to our work with the trust over the next 12 months.

Diane Blair
Manager
Healthwatch Sefton

Commentary from Clinical Commissioning Groups



Liverpool, South Sefton, Southport and Formby and Knowsley CCGs welcome the opportunity to jointly comment on the Alder Hey Children's Hospital NHS Foundation Trust Draft Quality Account for 2017/18. It is acknowledged that the submission to Commissioners was draft and that some parts of the document require updating. Commissioners look forward to receiving the Trust's final version of the Quality Account. We have worked closely with the Trust throughout 2017/18 to gain assurances that the services delivered were safe, effective and personalised to service users. The CCGs share the fundamental aims of the Trust and supports their strategy to deliver high quality, harm free care. The account reflects good progress on most indicators.

The Trust's presentation of its Quality Account was an honest, open and positive demonstration of the improvements made to date and an acknowledgement of areas that need to be developed further. It was identified that there was a strong focus on the use of innovation in the organisation.

This Account details the Trust's commitment to improving the quality of the services it provides, with commissioners supporting the key priorities for the improvement of quality during 2017/18.

Priority 1: Further embed a safety culture throughout the organisation

Priority 2: Increase engagement of children, young people and families in improving quality and developing services.

Priority 3: Increase number of defined clinical care pathways across our clinical specialties.

Priority 4: Provide support that will enable our staff to feel valued and respected by the organisation and actively contribute to the organisation's success.

Priority 5: Continue to improve the environment to make it work for both patients and staff.

This is a comprehensive report that clearly demonstrates progress within the Trust. It identifies where the organisation has done well, where further improvements are required and what actions are needed to achieve these goals, in line with the Trust Quality Strategy. Through this Quality Account and on-going quality assurance process, the Trust clearly demonstrates their commitment to improving the quality of care and services delivered. Alder Hey Children's NHS Foundation Trust continues to develop innovative ways to capture the experience of patients and their families in order to drive improvements in the quality of care delivered. The Trust places significant emphasis on its safety agenda, with an open and transparent culture, and this is reflected with the work the Trust has undertaken to further embed a safety culture in the organisation.

Of particular note is the work the Trust has undertaken to improve outcomes on the following work streams:

- Improvements in sepsis awareness and screening, with 100% of inpatient and emergency department patients screened for sepsis; the development of an electronic sepsis pathway; the average time to antibiotic administration for Inpatients is 47 mins (Jul17 – Feb18) and emergency department patients is 64 mins (Jul17 – Feb18).
- The Trust is the third highest reporter of incidents, maintaining its position in the top quartile with a further increase in reported incidents in 2017/18.
- Improvements in the asthma pathway, with the co-design of a new pathway with parents; reduced frequency of steroid treatment from 3 times per day to once per day; reduced side effects of treatment; reduced frequency of exposure to X-rays from 30% of asthmatic children to 8% and a reduction in the cost of medication by 90%
- The innovations in the use of technology and the introduction of the 'Alder Play App', to improve wayfinding, familiarisation and distraction for patients.

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

It is felt that the priorities for improvement identified for the coming year are reflective of the current issues across the health economy. The priorities being:

Priority 1: children and families first every time

Priority 2: no preventable harms or deaths

Priority 3: outstanding clinical outcomes for children

We therefore commend the Trust in taking account of opportunities to further improve the delivery of excellent, compassionate and safe care for every patient, every time.

Liverpool CCG
Signed

South Sefton CCG
Southport and Formby CCG
Signed

Knowsley CCG
Signed

J Ledward

Fiona Taylor

Dianne Johnson

JAN LEDWARD
Chief Officer
23rd May 2018

FIONA TAYLOR
Chief Officer
21th May 2018

DIANNE JOHNSON
Chief Executive
18th May 2018

Commentary from Overview and Scrutiny Committee

The Overview and Scrutiny Committee were invited to comment on the Quality Account, but confirmed they were unable to provide commentary within the required timescales.



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE QUALITY REPORT

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS foundation trust Annual Reporting Manual 2017/18 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2017 to March 2018
 - papers relating to quality reported to the board over the period April 2017 to March 2018
 - feedback from commissioners dated 23rd May 2018
 - feedback from governors dated 17th and 18th May 2018
 - feedback from local Healthwatch organisations dated 11th and 23rd May 2018
 - feedback from Overview and Scrutiny Committee dated – none received at the time of publication
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 05/09/17, 05/12/17, 06/03/18 and 16/05/18 (four quarterly reports)
 - the 2017 national patient survey
 - the 2017 national staff survey dated 6th March 2018
 - the Head of Internal Audit's annual opinion of the trust's control environment dated April 2018
 - CQC inspection report dated October 2017
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered

- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board.

David Henshaw *Louise Shepherd*

SIR DAVID HENSHAW
Chairman

LOUISE SHEPHERD CBE
Chief Executive

22nd May 2018

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF GOVERNORS OF ALDER HEY CHILDREN'S NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the council of governors of Alder Hey Children's Hospital NHS Foundation Trust ("The Trust") to perform an independent assurance engagement in respect of Alder Hey Children's Hospital NHS Foundation Trust quality report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

This report is made solely to the Trust's Council of Governors, as a body, in accordance with our engagement letter dated 23/04/2018. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018 to enable to Council of Governors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with these indicators.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors as a body, for our examination, for this report, or for the conclusions we have formed.

Our work has been undertaken so that we might report to the Council of Governors on those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Trust.

SCOPE AND SUBJECT MATTER

The indicators for the year ended 31 March 2018 subject to limited assurance consists of the national priority indicators as mandated by NHS Improvement.

- Percentage of patients within a total time in A&E of 4 hours or less from arrival to admission
- Percentage of incomplete pathways with 18 weeks for patients on incomplete pathways at the end of the reporting period

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

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND ERNST & YOUNG LLP

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2017/18' issued by NHS Improvement.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2017/18', which is supported by NHS Improvement's Detailed Requirements for quality reports 2017/18.
- the quality report is not consistent in all material respects with the sources detailed in Section 2.1 of the 'Detailed guidance for external assurance on quality reports 2017/18' and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material aspects in accordance with the 'NHS Foundation Trust Annual Reporting Manual 2017/18' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports 2017/18'.

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS Foundation Trust Annual Reporting Manual 2017/18' and supporting guidance, and consider the implications for our report if we become aware of material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the other information sources detailed in Section 2.1 of the 'Detailed guidance for external assurance on quality reports 2017/18'. These are:

- Board minutes for the period April 2017 to May 2018
- Papers relating to quality reported to the Board over the period April 2017 to May 2018
- feedback from commissioners, dated 23 May 2018
- feedback from governors, dated 17 & 18 May 2018

- feedback from local Healthwatch organisations, dated 11 May 2018
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated quarterly throughout 2017/18
- the latest national patient survey, dated November 2017
- the latest national staff survey, dated 2017
- Care Quality Commission inspection, dated October 2017
- the Head of Internal Audit's annual opinion over the trust's control environment, dated April 2018, and
- any other information included in our review.

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

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

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

ASSURANCE WORK PERFORMED

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

Our limited assurance procedures included, but were not limited to:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation
- comparing the content requirements of the 'NHS Foundation Trust Annual Reporting Manual 2017/18' to the categories reported in the Quality Report.
- reading the documents.

The objective of a limited assurance engagement is to perform such procedure as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Quality Report. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantively lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

INHERENT LIMITATIONS

Non-financial performance information is subject to more inherent limitation than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement in the context of the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2017/18' and supporting guidance. The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by Alder Hey Children's Hospital NHS Foundation Trust.

CONCLUSION

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 and the Detailed requirements for quality reports 2017/18 published in January 2018 (updated in February 2018) issued by NHS Improvement
- the Quality Report is not consistent in all material respects with the sources specified, and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with NHS Foundation Trust Annual Reporting Manual 2017/18 and the Detailed requirements for quality reports 2017/18 published in January 2018 (updated in February 2018) issued by NHS Improvement.

Ernst + Young LLP

ERNST & YOUNG LLP

Manchester

25th February 2018

Notes:

1. The maintenance and integrity of the Alder Hey Children's Hospital NHS Foundation Trust's web site is the responsibility of the directors; the work carried out by Ernst & Young LLP does not involve consideration of these matters and, accordingly, Ernst & Young LLP accept no responsibility for any changes that may have occurred to the Quality Report since it was initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.



AN EVENING CELEBRATING THE PASSION, DEDICATION AND SUCCESSES OF ALDER HEY'S REMARKABLE STAFF AT THE ALDER HEY ANNUAL GALA

Over 340 individual nominations were submitted by staff, patients, volunteers and families recognising the incredible work of Alder Hey Staff.

Categories included:

- Living our Values
- Sustainability Through External Partnerships
- Volunteer of the Year
- Delivery of Outstanding Care
- Strong Foundations
- Game Changing Research
- Best People Doing Their Best Work
- Game Changing Innovation
- Chairman's Special Recognition Award



Shortlisted staff were treated to an incredible evening with a feast of entertainment all in celebration of what makes Alder Hey great - staff.

Hosted by Steve Hothersall, well known from his work on Radio City, the awards were an opportunity to reflect on some outstanding examples of

commitment, caring and compassion by staff from across the Alder Hey family.

ANNUAL ACCOUNTS

Alder Hey Children's NHS Foundation Trust - Annual Accounts for the year ended 31 March 2018.

FOREWORD TO THE ACCOUNTS

Alder Hey Children's NHS Foundation Trust

These accounts, for the year ended 31 March 2018, have been prepared by Alder Hey Children's NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed: *Louise Shepherd*

LOUISE SHEPHERD CBE
Chief Executive
22nd May 2018



Alder Hey's Finance Department scored a 'hat-trick' at the 2017 HFMA Annual Awards winning the NHS Improvement Costing Assurance Award, Finance Team of the Year and Deputy Finance Director of the Year being awarded to Claire Liddy.

The team were also praised for their contribution over the last twelve months towards promoting and improving team work, innovation, collaboration, transformation and governance.

STATEMENT OF COMPREHENSIVE INCOME

	Note	2017/18 £000	2016/17 £000
Operating Income from Patient Care Activities	3	213,491	192,037
Other Operating Income	4	51,068	30,555
Operating Expenses	5, 7	(248,073)	(209,644)
Total Surplus from Continuing Operations		16,486	12,948
Finance Income	10	30	28
Finance Expenses	11	(9,693)	(9,815)
PDC Dividends Payable		(913)	(981)
Net Finance Costs		(10,576)	(10,768)
Other Gains	13	98	402
Share of profit / (losses) of associates / joint arrangements		-	-
Surplus for the Year from Continuing Operations		6,008	2,582
Other Comprehensive Income:			
Will Not be Reclassified to Income and Expenditure:			
Impairments	6	(4,728)	-
Revaluations	17	1,218	4,644
Total Comprehensive Income for the Period		2,498	7,226

STATEMENT OF FINANCIAL POSITION

	Note	31 March 2018 £000	31 March 2017 £000
Non-Current Assets:			
Intangible Assets	14	12,931	11,650
Property, Plant and Equipment	15	193,527	208,232
Investments in Associates and Joint Ventures	18	450	-
Trade and Other Receivables	20	81	139
Total Non-Current Assets		206,989	220,021
Current Assets:			
Inventories	19	2,693	2,511
Trade and Other Receivables	20	35,300	16,612
Other Assets		-	-
Non-Current Assets Held for Sale	21	-	13
Cash and Cash Equivalents	22	12,244	6,516
Total Current Assets		50,237	25,652
Current Liabilities:			
Trade and Other Payables	23	(23,034)	(17,010)
Borrowings	25	(4,463)	(4,197)
Provisions	27	(445)	(443)
Other Liabilities	24	(1,070)	(2,264)
Total Current Liabilities		(29,012)	(23,914)
Total Assets Less Current Liabilities		228,214	221,759
Non-Current Liabilities			
Borrowings		(150,934)	(152,235)
Provisions		(756)	(699)
Other Liabilities		(3,632)	(3,769)
Total Non-Current Liabilities		(155,322)	(156,703)
Total Assets Employed		72,892	65,056
Financed by			
Public Dividend Capital		51,083	45,745
Revaluation Reserve		2,091	5,670
Income and Expenditure Reserve		19,718	13,641
Total Taxpayers' Equity		72,892	65,056

The notes on pages 162 to 194 form part of these accounts.

Signed: *Louise Shepherd*

LOUISE SHEPHERD CBE
Chief Executive
22nd May 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2017 - Brought Forward	45,745	5,670	13,641	65,056
Surplus for the Year	-	-	6,008	6,008
Other Transfers Between Reserves	-	(69)	69	-
Impairments	-	(4,728)	-	(4,728)
Revaluations	-	1,218	-	1,218
Public Dividend Capital Received	5,338	-	-	5,338
Taxpayers' and Others' Equity at 31 March 2018	51,083	2,091	19,718	72,892

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2016 - Brought Forward	45,745	1,042	11,043	57,830
Surplus for the Year	-	-	2,582	2,582
Other Transfers Between Reserves	-	(14)	14	-
Impairments	-	-	-	-
Revaluations	-	4,644	-	4,644
Transfer to Retained Earnings on Disposal of Assets	-	(2)	2	-
Taxpayers' and Others' Equity at 31 March 2017	45,745	5,670	13,641	65,056

Information on Reserves

Public Dividend Capital

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

Revaluation Reserve

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

Income and Expenditure Reserve

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

STATEMENT OF CASH FLOWS

	Note	2017/18 £000	2016/17 £000
Cash Flows from Operating Activities			
Operating Surplus/(Deficit)		16,486	12,948
Non-Cash Income and Expense:			
Depreciation and Amortisation	5.1	8,084	7,390
Net Impairments	6	18,631	2,239
Income Recognised in Respect Of Capital Donations	4	(4,681)	(2,704)
Amortisation of PFI Deferred Credit		(137)	(137)
(Increase)/Decrease in Receivables and Other Assets		(18,429)	(6,519)
(Increase)/Decrease in Inventories		(182)	191
Increase/(Decrease) in Payables and Other Liabilities		2,315	(5,917)
Increase/(Decrease) in Provisions		57	(594)
Other Movements in Operating Cash Flows		-	-
Net Cash Generated from Operating Activities		22,144	6,897
Cash Flows from Investing Activities			
Interest Received		30	28
Purchase and Sale of Financial Assets / Investments		(450)	-
Purchase of Intangible Assets		(2,308)	(1,247)
Sales of Intangible Assets		-	-
Purchase of Property, Plant, Equipment and Investment Property		(11,374)	(5,046)
Sales of Property, Plant, Equipment and Investment Property		111	1,009
Receipt of Cash Donations to Purchase Capital Assets		4,426	1,368
Net Cash Used in Investing Activities		(9,565)	(3,888)
Cash Flows from Financing Activities			
Public Dividend Capital Received		5,338	-
Movement on Loans from the Department of Health and Social Care		769	6,234
Capital Element of Finance Lease Rental Payments		(88)	(44)
Capital Element of PFI, LIFT and Other Service Concession Payments		(2,070)	(2,044)
Interest Paid on Finance Lease Liabilities		(7)	(4)
Interest Paid on PFI, LIFT and Other Service Concession Obligations		(8,648)	(8,719)
Other Interest Paid		(1,031)	(1,067)
PDC Dividend Paid		(1,110)	(1,400)
Net Cash Used in Financing Activities		(6,847)	(7,044)
Increase/(Decrease) in Cash and Cash Equivalents		5,732	(4,035)
Cash and Cash Equivalents at 1 April - Brought Forward		6,516	10,551
Cash and Cash Equivalents Transferred Under Absorption Accounting	35	(4)	-
Cash and Cash Equivalents at 31 March	22	12,244	6,516

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES AND OTHER INFORMATION

1.1 Basis of Preparation

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

1.1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1.2 Going Concern

These accounts have been prepared on a going concern basis. The trust is planning to be financially sustainable over the next five year NHS planning horizon. The trust is planning a trading surplus of £4.4m in 2018/19.

1.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In application of the trust's accounting policies, management is required to make judgements, estimates and assumptions. These are regularly reviewed.

The following are the critical judgements that management have made in the process of applying the trust's accounting policies, together with the key

assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Asset Valuation and Lives

The value and remaining useful lives of land and buildings have been estimated by Cushman & Wakefield. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The valuations for land and buildings were carried out during 2017/18 and were applied to the 31 March 2018 land and buildings values. Asset values have been uplifted to reflect latest BCIS "All in" Tender Price Indices. Valuations are carried out using the Modern Equivalent Asset basis to determine the Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of the retained land and buildings at 31 March 2018 reflect that most of the hospital buildings are in the process of being demolished.

The lives of equipment assets are estimated using historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. Operational equipment is carried at current value. Where assets are of low value and/or have short useful economic lives, these are carried at depreciated historical cost as this is not considered to be materially different from fair value. Software licences are depreciated over the shorter of the term of the license and the useful economic life.

Provisions

Pensions provisions relating to former employees, including Directors, have been estimated using the life expectancy from the Government's actuarial tables. Other legal claims provisions relate to employer and public liability claims and expected costs are advised by NHS Resolution.

Provision for Impairment of Receivables

A provision for the impairment of receivables has been made for amounts which are uncertain to be received from organisations at 31 March 2018. The provision is £ 1,238,000 (31 March 2017: £996,000) and includes a provision of £318,000 (31 March 2017: £389,000) against the Injury Costs Recovery debt. The recoverability of the Injury Costs Recovery debt has been assessed and the trust has fully provided for incidents that are over 10 years old. The balance of the Injury Costs Recovery Scheme debt has been provided

for at 10% (31 March 2017: 15%) to reflect recoverability of more recent incidents.

Holiday Pay Accrual

The accrual for outstanding leave has been calculated on an actual basis.

The amount of outstanding annual leave as at 31 March has been requested from all managers from across the trust. The accrual is calculated based on the returns from those managers. The trust's annual leave policy clearly states that annual leave is expected to be taken in the year it relates to and only carried forward on exceptional basis and with agreement from managers.

1.3 Interests in Other Entities

Joint Arrangements

Arrangements over which the trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are recognised as an investment and accounted for using the equity method. The trust has entered into a joint venture with Alder Hey Children's Charity for the development of patient experience. The transactions are not significant in 2017/18.

1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

The trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The trust recognises the income

when it receives notification from the Department of Works and Pensions Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful claims and doubtful debts.

Revenue Grants and Other Contributions to Expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

1.5 Expenditure on Employee Benefits

Short-Term Employee Benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

1.6 Expenditure on Other Goods and Services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.7 Property, Plant and Equipment

1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control, or
- items form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost. These are capitalised as a grouped equipment asset.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those

that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

The Depreciated Replacement Cost approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design, with the same service potential as the existing asset. The modern equivalent may well be smaller than the existing asset, for example, due to technological advances in plant and machinery.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS23, borrowing costs. Depreciation commences when they are brought into use.

IT equipment, furniture and fittings and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

Subsequent Expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of

construction are not depreciated until the asset is brought into use.

Revaluation Gains and Losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

At each financial year end, the trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and if so, its amount.

1.7.3 Derecognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.7.4 Donated and Grant Funded Assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.7.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) Transactions

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement

of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Components of the asset replaced by the contractor during the contract (lifecycle replacement) are capitalised where they meet the trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost. The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively. Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.7.6 Useful Economic Lives of Property, Plant and Equipment

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

	Minimum Life Years	Maximum Life Years
Buildings, Excluding Dwellings	-	88
Dwellings	37	37
Plant and Machinery	2	15
Transport Equipment	-	-
Information Technology	2	10
Furniture and Fittings	10	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

1.8 Intangible Assets

1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust, where they are capable of being used in the trust's activities for more than one year, where the cost of the asset can be measured reliably and they have a cost of at least £5,000.

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Expenditure on research activities is not capitalised, it is recognised as an operating expense in the period in which it is incurred.

As it cannot be demonstrated that the IAS38 criteria for capitalisation can be met, expenditure on development is not capitalised.

1.8.2 Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.8.3 Useful Economic Lives of Intangible Assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. Computer software have a minimum life of 0 years and maximum life of 8 years

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first-in first-out formula.

1.10 Cash and Cash Equivalents

Cash is cash in hand and deposits with commercial bank and Government Banking Service.

1.11 Carbon Reduction Commitment Scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

1.12 Financial Assets and Financial Liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of

assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement

Financial assets are categorised as "fair value through the income and expenditure", "available for sale" financial assets and "loans and receivables". The trust only has loans and receivables.

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities". The trust only has other financial liabilities.

Financial Assets and Financial Liabilities at "Fair Value Through Income and Expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts

through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other Financial Liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of Financial Assets

At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at “fair value through income and expenditure” are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced - through the use of a bad debt provision.

1.13 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.13.1 The Trust as Lessee

Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of Land and Buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Early retirement provisions are discounted using HM Treasury’s pension discount rate of 0.10% (2016/17: 0.24%) in real terms.

Clinical Negligence Costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the trust is disclosed at note 27.3 but is not recognised in the trust's accounts.

Non-Clinical Risk Pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

The trust has also taken commercial insurance to cover property damage and business interruption.

1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.16 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.17 Value Added Tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.18 Corporation Tax

The trust has determined that it has no corporation tax liability as it does not carry out significant commercial activities that are not part of healthcare delivery.

1.19 Foreign Exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date, monetary items are restated at the rates prevailing at the Statement of Financial Position date.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

1.20 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. The Trust has no third party assets at 31 March 2018.

1.21 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations ledger which reports on an accrual basis with the exception of provisions for future losses.

1.22 Charitable Funds

Alder Hey Children's Charity is governed by independent Trustees and has independent processes. The trust does not have power to govern the financial and operating policies of the charitable fund and therefore the charity is not consolidated.

1.23 Early Adoption of Standards, Amendments and Interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

1.24 Standards, Amendments and Interpretations in Issue but Not Yet Effective or Adopted

IFRS 9 Financial Instruments	Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM; early adoption is not therefore permitted.
IFRS 15 Revenue from Contracts with Customers	Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM; early adoption is not therefore permitted.
IFRS 16 Leases	Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM; early adoption is not therefore permitted.
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM; early adoption is not therefore permitted.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Application required for accounting periods beginning on or after 1 January 2018.
IFRIC 23 Uncertainty over Income Tax Treatments	Application required for accounting periods beginning on or after 1 January 2019.

2. OPERATING SEGMENTS

The Trust has considered segmental reporting and the Chief Executive and the Board receive sufficient and appropriate high level information to enable the business to be managed effectively and to monitor and manage the strategic aims of the trust. Sufficiently detailed information is used by middle and lower management to ensure effective management at an operational level. Neither of these are sufficiently discrete to profile operating segments, as defined by IFRS8, that would enable a user of these financial statements to evaluate the nature and financial effects of the business activities that the Trust undertakes. Therefore the trust has decided that it has one operating segment for healthcare.

3. OPERATING INCOME FROM PATIENT CARE ACTIVITIES

3.1. Income from Patient Care Activities (by Nature)

	2017/18 £000	2016/17 £000
Acute Services		
Elective Income	46,527	43,313
Non Elective Income	37,489	31,373
First Outpatient Income	9,105	8,857
Follow up Outpatient Income	16,820	17,308
A & E Income	6,057	5,103
Other NHS Clinical Income	70,836	65,073
Mental Health Services		
Block Contract Income	9,832	10,007
Community Services		
Community Services Income from CCGs and NHS England	14,702	9,442
Income From Other Sources	1,261	831
All Services		
Private Patient Income	434	309
Other Clinical Income	428	421
Total Income from Activities	213,491	192,037

3.2 Income from Patient Care Activities (by Source)

	2017/18 £000	2016/17 £000
Income from Patient Care Activities Received from:		
NHS England	129,553	111,598
Clinical Commissioning Groups	64,329	63,045
Department of Health and Social Care	-	-
Other NHS Providers	298	261
NHS Other	-	-
Local Authorities	974	1,033
Non-NHS: Private Patients	434	309
Non-NHS: Overseas Patients (Chargeable to Patient)	-	8
NHS Injury Scheme	428	416
Non NHS: Welsh Specialised Commissioners	14,584	12,677
Non NHS: Other	2,891	2,690
Total Income from Activities	213,491	192,037
Of Which:		
Related to Continuing Operations	213,491	192,037
Related to Discontinued Operations	-	-

NHS injury scheme income is subject to a provision for impairment of receivables to reflect expected rates of collection.

This amounts to £318,000 at 31 March 2018 (£389,000 at 31 March 2017).

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

	2017/18 £000	2016/17 £000
Income Recognised This Year	-	8
Cash Payments Received In-Year	-	8
Amounts Added to Provision For Impairment of Receivables	-	-
Amounts Written Off In-Year	-	-

4. OTHER OPERATING INCOME

	2017/18 £000	2016/17 £000
Research and Development	4,548	3,662
Education and Training	7,765	7,644
Receipt of Capital Grants and Donations	4,681	2,704
Charitable and Other Contributions to Expenditure	3,664	376
Non-Patient Care Services to Other Bodies	8,234	5,014
Sustainability and Transformation Fund Income	17,087	6,206
Income in Respect of Staff Costs Where Accounted on Gross Basis	533	573
Amortisation of PFI Deferred Credits	137	137
Other Income	4,419	4,239
Total Other Operating Income	51,068	30,555
Of Which:		
Related to Continuing Operations	51,068	30,555
Related to Discontinued Operations	-	-

The education and training income arises from the provision of mandatory education and training set out in the trust's terms of authorisation.

4.1 Analysis of Other Operating Income: Other

	2017/18 £000	2016/17 £000
Car Parking	1,010	784
Clinical Excellence Awards	723	609
Catering	842	892
Funding for Project Costs for Alder Hey in the Park	-	804
Innovation Hub	30	155
Other	1,814	995
	4,419	4,239

4.2 Income from Activities Arising from Commissioner Requested Services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2017/18 £000	2016/17 £000
Income from Services Designated as Commissioner Requested Services	200,622	184,504
Income from Services Not Designated as Commissioner Requested Services	12,869	7,533
Total	213,491	192,037

4.3 Profits and Losses on Disposal of Property, Plant and Equipment

	2017/18 £000	2016/17 £000
Equipment Disposals	98	(23)
Land and Building Disposals	-	425
Profit on Disposal in Year	98	402



5.1 Operating Expenses

	2017/18 £000	2016/17 £000
Purchase of Healthcare from Non NHS Bodies and Non-DHSC Bodies	676	534
Staff and Executive Directors Costs	148,553	136,784
Remuneration of Non-Executive Directors	136	127
Supplies and Services - Clinical (Excluding Drugs Costs)	22,665	18,175
Supplies and Services - General	3,425	3,551
Drug costs (Drugs Inventory Consumed and Purchase of Non-Inventory Drugs)	19,136	18,644
Consultancy Costs	903	1,211
Establishment	2,240	2,219
Premises	10,152	9,006
Transport (Including Patient Travel)	637	634
Depreciation on Property, Plant and Equipment	6,385	5,852
Amortisation on Intangible Assets	1,699	1,538
Net Impairments	18,631	2,239
Increase/(Decrease) in Provision for Impairment of Receivables	558	107
Audit Fees Payable to the External Auditor		
Audit Services - Statutory Audit	70	53
Other Auditor Remuneration (External Auditor Only)	-	302
Internal Audit Costs	1	126
Clinical Negligence	4,356	3,960
Legal Fees	656	79
Insurance	231	219
Research and Development	1,402	807
Education and Training	481	402
Early Retirements	149	12
Redundancy	261	209
Charges to Operating Expenditure for on-SoFP IFRIC 12 Schemes (e.g. PFI / LIFT) on IFRS Basis	1,376	2,803
Car Parking and Security	534	478
Losses, Ex Gratia and Special Payments	157	142
Other	2,603	(569)
Total	248,073	209,644
Of Which:		
Related to Continuing Operations	248,073	209,644

Research and development expenditure reflects payments to other organisations in respect of research contracts.

Employee expenses - staff, include £2,406,000 (2016/17 £2,130,000) relating to research and development activities.

The Trust was host for the Sustainability and Transformation Plan for part of the year and incurred £2,300,000 (2016/17 £846,000) of expenditure, of which £441,000 (2016/17 £745,000) is part of consultancy costs above.

Other expenditure includes £1,667,000 to pay over Sustainability and Transformation Plan funds to Warrington & Halton NHS Foundation Trust and £798,000 on professional fees.

5.2 Other Auditor Remuneration

	2017/18 £000	2016/17 £000
Other Auditor Remuneration Paid to the External Auditor:		
Other Non-Audit Services Including Business Advice	-	302
Total	-	302

5.3 Limitation on Auditor's Liability

The limitation on auditor's liability for external audit work is £2m (2016/17: £1m).

6. IMPAIRMENT OF ASSETS

	2017/18 £000	2016/17 £000
Net Impairments Charged to Operating Surplus Resulting From:		
Changes in Market Price	-	-
Other	18,631	2,239
Total Net Impairments Charged to Operating Surplus	18,631	2,239
Impairments Charged to the Revaluation Reserve	4,728	-
Total Net Impairments	23,359	2,239
Impairment of Expenditure on Retained Estate	5,536	2,239
Impairment of PFI building on Revaluation	17,751	-
Impairment of Research and Education Building on Revaluation	72	-

7. EMPLOYEE BENEFITS

	2017/18 £000	2016/17 £000
Salaries and Wages	122,802	111,917
Social Security Costs	10,433	9,614
Apprenticeship Levy	531	-
Employer's Contributions to NHS Pensions	13,482	12,339
Temporary Staff (Including Agency)	5,312	6,449
Total Gross Staff Costs	152,560	140,319
Recoveries in Respect of Seconded Staff	(1,366)	(1,386)
Total Staff Costs	151,194	138,933
Of Which		
Costs Capitalised as Part of Assets	2,380	1,940

7.1 Retirements Due to Ill-Health

During 2017/18 there was 1 early retirement from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £74k (£61k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

8. PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting Valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS

Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full Actuarial (Funding) Valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this ‘employer cost cap’ assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.



9. OPERATING LEASES

9.1 Alder Hey Children's NHS Foundation Trust as a Lessee

This note discloses costs and commitments incurred in operating lease arrangements where Alder Hey Children's NHS Foundation Trust is the lessee.

	2017/18 £000	2016/17 £000
Operating Lease Expense		
Minimum Lease Payments	5	6
Contingent Rents	-	-
Less Sublease Payments Received	-	-
Total	5	6

	31 March 2018 £000	31 March 2017 £000
Future Minimum Lease Payments Due:		
- Not Later Than One Year;	-	6
- Later Than One Year and Not Later Than Five Years;	-	-
- Later Than Five Years	-	-
Total	-	6
Future Minimum Sublease Payments to be Received	-	-

The Trust held no operating leases in respect of land and buildings during 2017/18.

10. FINANCE INCOME

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

	2017/18 £000	2016/17 £000
Interest on Bank Accounts	30	28
Total	30	28

11. FINANCE EXPENDITURE

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

	2017/18 £000	2016/17 £000
Interest Expense:		
Loans from the Department of Health and Social Care	1,036	1,081
Finance Leases	7	4
Interest on Late Payment of Commercial Debt	-	-
Main Finance Costs on PFI and LIFT Scheme Obligations	8,098	8,249
Contingent Finance Costs on PFI and LIFT Scheme Obligations	550	470
Total Interest Expense	9,691	9,804
Unwinding of Discount on Provisions	2	11
Total Finance Costs	9,693	9,815

12. PUBLIC DIVIDEND CAPITAL DIVIDEND

The Trust is required to pay a dividend to the Department of Health and Social Care of £913,000. This represents 3.5% of net relevant assets of £26,083,000.

13. OTHER GAINS/(LOSSES)

	2017/18 £000	2016/17 £000
Gains on Disposal of Assets	98	425
Losses on Disposal of Assets	-	(23)
Total Gains /(Losses) on Disposal of Assets	98	402

14. INTANGIBLE ASSETS

14.1 Intangible Assets - 2017/18

	Software Licences	Intangible Assets Under Construction	Total
	£000	£000	£000
Valuation/Gross Cost at 1 April 2017 - Brought Forward	13,910	425	14,335
Additions	85	2,895	2,980
Gross Cost at 31 March 2018	13,995	3,320	17,315
Amortisation at 1 April 2017 - Brought Forward	2,685	-	2,685
Provided During The Year	1,699	-	1,699
Amortisation at 31 March 2018	4,384	-	4,384
Net Book Value at 31 March 2018	9,611	3,320	12,931
Net Book Value at 1 April 2017	11,225	425	11,650

14.2 Intangible Assets - 2016/17

	Software Licences	Intangible Assets Under Construction	Total
	£000	£000	£000
Valuation/Gross Cost At 1 April 2016 - Brought Forward	12,642	318	12,960
Additions	980	425	1,405
Reclassifications	318	(318)	-
Disposals/Derecognition	(30)	-	(30)
Valuation/Gross Cost at 31 March 2017	13,910	425	14,335
Amortisation at 1 April 2016 - Brought Forward	1,177	-	1,177
Provided During The Year	1,538	-	1,538
Disposals/Derecognition	(30)	-	(30)
Amortisation at 31 March 2017	2,685	-	2,685
Net Book Value at 31 March 2017	11,225	425	11,650
Net Book Value at 1 April 2016	11,465	318	11,783

15. PROPERTY, PLANT AND EQUIPMENT

15.1 Property, Plant and Equipment - 2017/18

	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Total £000
Valuation/ Gross Cost at 1 April 2017 - Brought Forward	4,131	180,522	148	1,930	29,075	9,746	3,869	229,421
Additions	-	1,222	-	10,543	1,880	176	-	13,821
Impairments	(847)	(22,479)	-	(140)	-	-	-	(23,466)
Reversals of impairments	67	40	-	-	-	-	-	107
Revaluations	633	(1,469)	1	-	-	-	-	(835)
Reclassifications	45	-	(45)	-	-	-	-	-
Transfers to/ from Assets Held for Sale	-	-	-	-	(319)	-	-	(319)
Disposals/ Derecognition	-	(2,958)	-	-	(938)	(905)	-	(4,801)
Valuation/ Gross Cost at 31 March 2018	4,029	154,878	104	12,333	29,698	9,017	3,869	213,928
Accumulated Depreciation at 1 April 2017 - Brought Forward	-	5,623	-	-	12,426	2,690	450	21,189
Provided During the Year	-	2,197	4	-	2,742	1,081	361	6,385
Revaluations	-	(2,049)	(4)	-	-	-	-	(2,053)
Transfers to/ from Assets Held for Sale	-	-	-	-	(319)	-	-	(319)
Disposals/ Derecognition	-	(2,958)	-	-	(938)	(905)	-	(4,801)
Accumulated Depreciation at 31 March 2018	-	2,813	-	-	13,911	2,866	811	20,401
Net Book Value at 31 March 2018	4,029	152,065	104	12,333	15,787	6,151	3,058	193,527
Net Book Value at 1 April 2017	4,131	174,899	148	1,930	16,649	7,056	3,419	208,232

15.2 Property, Plant and Equipment - 2016/17

	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Total £000
Valuation/ Gross Cost at 1 April 2016 - Brought Forward	4,131	224,427	152	1,943	27,261	9,623	3,767	271,304
Additions	-	2,296	-	1,121	2,332	326	102	6,177
Impairments	-	(2,239)	-	-	-	-	-	(2,239)
Revaluations	-	4,641	3	-	-	-	-	4,644
Reclassifications	-	(48,437)	(7)	(1,134)	-	1,134	-	(48,444)
Transfers to/ from Assets Held for Sale	-	-	-	-	(179)	-	-	(179)
Disposals/ Derecognition	-	(166)	-	-	(339)	(1,337)	-	(1,842)
Valuation/ Gross Cost at 31 March 2017	4,131	180,522	148	1,930	29,075	9,746	3,869	229,421
Accumulated Depreciation at 1 April 2016 - Brought Forward	-	52,050	3	-	10,369	3,232	100	65,754
Provided During the Year	-	2,176	4	-	2,527	795	350	5,852
Reclassifications	-	(48,437)	(7)	-	-	-	-	(48,444)
Transfers to/ from Assets Held for Sale	-	-	-	-	(166)	-	-	(166)
Disposals/ Derecognition	-	(166)	-	-	(304)	(1,337)	-	(1,807)
Accumulated Depreciation at 31 March 2017	-	5,623	-	-	12,426	2,690	450	21,189
Net Book Value at 31 March 2017	4,131	174,899	148	1,930	16,649	7,056	3,419	208,232
Net Book Value at 1 April 2016	4,131	172,377	149	1,943	16,892	6,391	3,667	205,550

15.3 Property, Plant and Equipment Financing - 2017/18

	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Total £000
Net Book Value at 31 March 2018								
Owned - Purchased	4,029	3,168	104	7,976	3,203	5,828	3,058	27,366
Finance Leased	-	-	-	-	406	-	-	406
On-SoFP PFI Contracts and Other Service Concession Arrangements	-	144,773	-	-	-	-	-	144,773
Owned - Donated	-	4,124	-	4,357	12,178	323	-	20,982
NBV Total at 31 March 2018	4,029	152,065	104	12,333	15,787	6,151	3,058	193,527

15.4 Property, Plant and Equipment Financing - 2016/17

	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Total £000
Net Book Value at 31 March 2017								
Owned - Purchased	4,131	3,388	148	1,172	3,595	6,727	3,419	22,580
Finance Leased	-	-	-	-	97	-	-	97
On-SoFP PFI Contracts and Other Service Concession Arrangements	-	164,419	-	-	-	-	-	164,419
Owned - Donated	-	7,092	-	758	12,957	329	-	21,136
NBV Total at 31 March 2017	4,131	174,899	148	1,930	16,649	7,056	3,419	208,232

16. Donations of Property, Plant and Equipment

The Trust has purchased medical equipment, distraction equipment and incurred cost on the research and education phase 2, funded by charity donations.

17. Revaluations of Property, Plant and Equipment

All Land and Buildings assets were revalued as at 31st March 2018.

- the valuation was carried out by an independent valuer, Cushman & Wakefield.
- the basis for the valuation is to use the Depreciated Replacement Cost (DRC) approach. The DRC

approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design, with the same service potential as the existing asset. The modern equivalent may be smaller than the existing asset for example, due to technological advances in plant and machinery.

The ultimate objective of the valuation is to place a value upon the asset, and in this the value of the land in providing a modern equivalent facility must be considered. The modern equivalent asset may be located on a new site out of town, or be on a smaller site due to changes in the way services are provided. The site is valued based on the size of the modern equivalent, and not the actual site area occupied currently.

18. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2017/18 £000	2016/17 £000
Carrying Value at 1 April - Brought Forward	-	-
Acquisitions in Year	450	-
Carrying Value at 31 March	450	-

The Trust has entered into a joint venture (50% share) with Alder Hey Children's Charity for development of patient experience.

19. INVENTORIES

	31 March 2018 £000	31 March 2017 £000
Drugs	930	733
Work in Progress	-	-
Consumables	1,703	1,712
Energy	60	66
Other	-	-
Total Inventories	2,693	2,511
Of Which:		
Held at Fair Value Less Costs to Sell	-	-

Inventories recognised in expenses for the year were £31,286K (2016/17: £27,485K). Write-down of inventories recognised as expenses for the year were £0K (2016/17: £4K).

20. TRADE RECEIVABLES AND OTHER RECEIVABLES

20.1 Trade Receivables and Other Receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade Receivables	10,177	6,320
Capital Receivables (Including Accrued Capital Related Income)	-	-
Accrued Income	21,993	6,930
Provision for Impaired Receivables	(1,238)	(996)
Deposits and Advances	-	-
Prepayments (Non-PFI)	1,856	2,796
Interest Receivable	-	-
Finance Lease Receivables	-	-
PDC Dividend Receivable	303	106
VAT Receivable	360	469
Corporation and Other Taxes Receivable	-	-
Other Receivables	1,849	987
Total Current Trade and Other Receivables	35,300	16,612
Non-Current		
Prepayments (Non-PFI)	81	139
Total Non-Current Trade and Other Receivables	81	139
Of Which Receivables from NHS and DHSC Group Bodies:		
Current	26,072	10,260
Non-current	-	-

Accrued income includes Sustainability and Transformation Fund income due to be paid to the trust, together with incompleting spells as at 31 March 2018.

The great majority of trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As these bodies are funded by government to buy NHS patient care services, no credit score of them is considered necessary.

Other receivables include a credit for PFI service failures.

20.2 Provision for Impairment of Receivables

	2017/18 £000	2016/17 £000
At 1 April - Brought Forward	996	926
Increase in Provision	993	310
Amounts Utilised	(316)	(37)
Unused Amounts Reversed	(435)	(203)
At 31 March	1,238	996

Provision for impairment of receivables is made where amounts are past due and are uncertain to be recovered. Usually the debtors have indicated that the charge is queried or that payment may not be made. The provision includes £318,000 of Injury Cost Recovery debt to reflect expected rates of collection.

20.3 Credit Quality of Financial Assets

	31 March 2018 Trade and Other Receivables £000	31 March 2017 Trade and Other Receivables £000
Ageing of Impaired Receivables		
0 - 30 Days	663	64
30 - 60 Days	34	47
60 - 90 Days	2	24
90 - 180 Days	46	18
Over 180 Days	493	843
Total	1,238	996
Ageing of Non-Impaired Financial Assets Past Their Due Date		
0 - 30 Days	294	401
30 - 60 Days	198	318
60 - 90 Days	991	62
90 - 180 Days	1,162	1
Over 180 Days	102	29
Total	2,747	811

Receivables are not impaired until amounts are uncertain to be received - usually when debtors indicate that there is a query.

21. ASSETS HELD FOR SALE

	2017/18 Total £000	2016/17 Total £000
NBV of Non-Current Assets for Sale at 1 April	13	572
Plus Assets Classified as Available for Sale in the Year	-	13
Less Assets Sold in Year	(13)	(572)
NBV of Non-Current Assets for Sale at 31 March	-	13

The assets held for sale at 31 March 2018 are items of medical equipment which have been taken out of use, ready to be auctioned. These assets are all fully written down.

22. CASH AND CASH EQUIVALENTS MOVEMENTS

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2017/18 £000	2016/17 £000
At 1 April	6,516	10,551
Transfer by absorption	(4)	-
Net Change in Year	5,732	(4,035)
At 31 March	12,244	6,516

Broken Down Into:

Cash at Commercial Banks and in Hand	56	52
Cash with the Government Banking Service	12,188	1,164
Deposits with the National Loan Fund	-	5,300
Total Cash and Cash Equivalents as in SoFP	12,244	6,516
Bank Overdrafts (GBS and Commercial Banks)	-	-
Total Cash and Cash Equivalents as in SoCF	12,244	6,516

23. TRADE AND OTHER PAYABLES

	31 March 2018 £000	31 March 2017 £000
Current		
Trade Payables	5,166	3,747
Capital Payables	4,831	2,320
Accruals	7,426	5,626
VAT Payable	-	-
Other Taxes Payable	3,036	2,648
Accrued Interest on Loans	60	56
Other Payables	2,515	2,613
Total Current Trade and Other Payables	23,034	17,010
Of Which Payables from NHS and DHSC Group Bodies:		
Current	1,573	1,125
Non-current	-	-

Trade payables includes £1,919,000 (£1,746,000 at 31 March 2017) outstanding pension contributions at 31 March 2018.

Trade payables and accruals are expected to be paid within 30 days of receipt of a valid invoice.

Other payables includes the accrual for untaken annual leave at 31 March 2018. It is expected that this will be used before 31 March 2019.

24. OTHER LIABILITIES

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred Income	933	2,127
PFI Deferred Income/Credits	137	137
Total Other Current Liabilities	1,070	2,264
Non-Current		
PFI Deferred Income/Credits	3,632	3,769
Total Other Non-Current Liabilities	3,632	3,769

25. BORROWINGS

	31 March 2018 £000	31 March 2017 £000
Current		
Loans from the Department of Health and Social Care	2,157	2,081
Obligations Under Finance Leases	86	46
Obligations under PFI, LIFT or Other Service Concession Contracts (Excl. Lifecycle)	2,220	2,070
Total Current Borrowings	4,463	4,197
Non-Current		
Loans from the Department of Health and Social Care	46,044	45,351
Obligations Under Finance Leases	273	48
Obligations Under PFI, LIFT or Other Service Concession Contracts	104,617	106,836
Total Non-Current Borrowings	150,934	152,235

26. FINANCE LEASES

26.1 Alder Hey Children's NHS Foundation Trust as a Lessee

Obligations under finance leases where Alder Hey Children's NHS Foundation Trust is the lessee.

	31 March 2018 £000	31 March 2017 £000
Gross Lease Liabilities	383	98
Of Which Liabilities are Due:		
- Not Later Than One Year;	86	49
- Later Than One Year and Not Later Than Five Years;	226	49
- Later Than Five Years.	71	-
Finance Charges Allocated To Future Periods	(24)	(4)
Net Lease Liabilities	359	94
Of Which Payable:		
- Not Later Than One Year;	86	46
- Later Than One Year and Not Later Than Five Years;	205	48
- Later Than Five Years.	68	-
Total of Future Minimum Sublease Payments to be Received at the Reporting Date	-	-
Contingent Rent Recognised as an Expense in the Period	-	-

27. PROVISIONS

27.1 Provisions for Liabilities and Charges Analysis

	Current		Non-Current	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Pensions				
- Early Departure Costs	95	93	756	699
Legal Claims	230	197	0	0
Other	120	153	0	0
Total	445	443	756	699

27.2 Provisions for Liabilities and Charges Analysis

	Pensions - Early Departure Costs £000	Legal Claims £000	Other £000	Total £000
At 1 April 2017	792	197	153	1,142
Change in the Discount Rate	9	-	-	9
Arising During the Year	149	141	-	290
Utilised During the Year	(101)	(84)	(33)	(218)
Reclassified to Liabilities Held in Disposal Groups	-	-	-	-
Reversed Unused	-	(24)	-	(24)
Unwinding of Discount	2	-	-	2
At 31 March 2018	851	230	120	1,201
Expected Timing of Cash Flows:				
- Not Later Than One Year;	95	230	120	445
- Later Than One Year and Not Later Than Five Years;	265	-	-	265
- Later Than Five Years.	491	-	-	491
Total	851	230	120	1,201

Pensions for former employees have been estimated using life expectancy from the Government's actuarial tables.

Legal claims relate to third party and employer liability claims and have been estimated by NHS Resolution. It is expected that these claims will be settled in the next year.

Other provisions includes an amount for ongoing employment disputes.

27.3 Clinical Negligence Liabilities

At 31 March 2018, £138,230K was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Alder Hey Children's NHS Foundation Trust (31 March 2017: £100,725K).

28. CONTINGENT ASSETS AND LIABILITIES

The Trust will potentially receive an amount of income related to a commercial transaction.

29. CONTRACTUAL CAPITAL COMMITMENTS

	31 March 2018 £000	31 March 2017 £000
Property, Plant and Equipment	4,030	3,159
Intangible Assets	256	21
Total	4,286	3,180

Contractual capital commitments relate to capital items/work which has been ordered but not received at 31 March 2018.

30. OTHER FINANCIAL COMMITMENTS

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2018 £000	31 March 2017 £000
Not Later Than One Year;	764	-
After One Year and Not Later Than Five Years;	1,473	2,789
Paid thereafter.	-	-
Total	2,237	2,789

31. ON-SOFP PFI, LIFT OR OTHER SERVICE CONCESSION ARRANGEMENTS

The PFI scheme relates to the main hospital building on East Prescot Road.

The trust has the right to use the buildings, however Alder Hey (Special Purpose Vehicle) Limited (Acorn Consortium) have responsibility for maintaining the buildings to an agreed standard. All lifecycle replacement is also the responsibility of Alder Hey (Special Purpose Vehicle) Limited.

A key feature of the PFI scheme is that the operator is responsible for ensuring that the property is maintained to an agreed standard for the entire life of the contract. These are known as lifecycle costs. The costs which the operator expects to incur in doing this is reflected in the unitary payment.

The contract with Alder Hey (Special Purpose Vehicle) Limited expires on 21 June 2045, after which time the trust will become responsible for the maintenance and lifecycle costs of those buildings.

31.1 Imputed Finance Lease Obligations

Alder Hey Children's NHS Foundation Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or Other Service Concession Liabilities	285,100	295,817
Of Which Liabilities are Due		
- Not Later Than One Year	10,813	10,717
- Later Than One Year and Not Later Than Five Years	42,871	43,072
- Later Than Five Years	231,416	242,028
Finance Charges Allocated to Future Periods	(178,263)	(186,911)
Net PFI, LIFT or Other Service Concession Arrangement Obligation	106,837	108,906
- Not Later Than One Year	2,220	2,070
- Later Than One Year and Not Later Than Five Years	9,447	9,238
- Later Than Five Years	95,170	97,598

31.2 Total on-SoFP PFI, LIFT and Other Service Concession Arrangement Commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total Future Payments Committed in Respect of the PFI, LIFT or Other Service Concession Arrangements	470,081	483,998
Of Which Liabilities are Due		
- Not Later Than One Year	14,102	13,916
- Later Than One Year and Not Later Than Five Years	58,304	57,532
- Later Than Five Years	397,675	412,550

31.2 Total on-SoFP PFI, LIFT and Other Service Concession Arrangement Commitments

This note provides an analysis of the trust's payments in 2017/18:

	2017/18 £000	2016/17 £000
Unitary Payment Payable to Service Concession Operator	12,094	13,566
Consisting of:		
- Interest Charge	8,098	8,249
- Repayment of Finance Lease Liability	2,070	2,044
- Service Element and Other Charges to Operating Expenditure	1,174	2,803
- Revenue Lifestyle Maintenance	202	-
- Contingent Rent	550	470
Total Amount Paid to Service Concession Operator	12,094	13,566

The unitary payment service element for 2017/18 includes a credit for service failures.

32 FINANCIAL INSTRUMENTS

32.1 Financial Risk Management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the trust has with clinical commissioning groups (CCGs) and the way those CCGs are financed, the trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the trust's internal auditors.

Liquidity Risk

Alder Hey Children's NHS Foundation Trust net operating costs are incurred under legally binding contracts with local CCGs. The Trust receives regular monthly payments from CCGs based on an agreed contract value with adjustments made for actual services provided.

The Trust finances its capital expenditure from internally generated funds or Public Dividend Capital made available by the Department of Health and Social Care. The Trust is therefore not exposed to significant liquidity risks.

Interest Rate Risk

All of the trust's financial assets carry nil or fixed rates of interest. The Trust is not exposed to significant interest rate risk.

Foreign Currency Risk

The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has limited business with overseas clients. The Trust therefore has low exposure to currency rate fluctuations.

Price Risk

The contracts from NHS commissioners in respect of healthcare services have a pre-determined price structure which negates the risk of price fluctuation.

Credit Risk

The contracts from NHS commissioners in respect of healthcare services are agreed annually and take into account the commissioners' ability to pay and hence credit risk is minimal.



32.2 Carrying Values of Financial Assets

	Loans and Receivables £000	Assets at Fair value Through the I&E £000	Total Book Value £000
Assets as per SoFP as at 31 March 2018			
Trade and Other Receivables Excluding Non Financial Assets	31,556	-	31,556
Other Investments / Financial Assets	-	450	450
Cash and Cash Equivalents at Bank and in Hand	12,244	-	12,244
Total at 31 March 2018	43,800	450	44,250

	Loans and Receivables £000	Assets at Fair value Through the I&E £000	Total Book Value £000
Assets as per SoFP as at 31 March 2017			
Trade and Other Receivables Excluding Non Financial Assets	12,072	-	12,072
Cash and Cash Equivalents at Bank and in Hand	6,516	-	6,516
Total at 31 March 2017	18,588	-	18,588



32.3 Carrying Value of Financial Liabilities

	Other Financial Liabilities £000	Liabilities at Fair value Through the I&E £000	Total Book Value £000
Liabilities as per SOFP as at 31 March 2018			
Embedded Derivatives	-	-	-
Borrowings Excluding Finance Lease and PFI Liabilities	48,201	-	48,201
Obligations Under Finance Leases	359	-	359
Obligations Under PFI, LIFT and Other Service Concession Contracts	106,837	-	106,837
Trade and Other Payables Excluding Non Financial Liabilities	19,998	-	19,998
Other Financial Liabilities	-	-	-
Provisions Under Contract	-	-	-
Total at 31 March 2018	175,395	-	175,395

	Other Financial Liabilities £000	Liabilities at Fair value Through the I&E £000	Total Book Value £000
Liabilities as per SOFP as at 31 March 2017			
Borrowings Excluding Finance Lease and PFI Liabilities	47,432	-	47,432
Obligations Under Finance Leases	94	-	94
Obligations Under PFI, LIFT and Other Service Concession Contracts	108,906	-	108,906
Trade and Other Payables Excluding Non Financial Liabilities	14,362	-	14,362
Total at 31 March 2017	170,794	-	170,794

32.4 Fair Values of Financial Assets and Liabilities

Book value is a reasonable approximation of fair value.

32.5 Maturity of Financial Liabilities

	31 March 2018	31 March 2017
	£000	£000
In One Year or Less	24,461	18,559
In More Than One Year But Not More Than Two Years	12,513	4,362
In More Than Two Year But Not More Than Five Years	13,844	21,339
In More Than Five Years	124,577	126,534
Total	175,395	170,794

33. LOSSES AND SPECIAL PAYMENTS

	2017/18		2016/17	
	Total Number of Cases	Total Value of Cases	Total Number of Cases	Total Value of Cases
	Number	£000	Number	£000
Losses				
Cash Losses	11	30	18	24
Fruitless Payments	-	-	-	-
Bad Debts and Claims Abandoned	22	6	44	13
Stores Losses and Damage to Property	1	40	1	4
Total Losses	34	76	63	41
Special Payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-Contractual Payments	-	-	-	-
Ex-Gratia Payments	36	142	36	138
Special Severance Payments	-	-	1	120
Extra-Statutory and Extra-Regulatory Payments	-	-	-	-
Total Special Payments	36	142	37	258
Total Losses and Special Payments	70	218	100	299
Compensation Payments Received		-		-

34. RELATED PARTIES

Alder Hey Children's NHS Foundation Trust is a public interest body authorised by NHS Improvement.

During the period, none of the Trust board members or members of the key management staff, or parties related to any of them, has undertaken any transactions with Alder Hey Children's NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the period the Trust has had a significant number of transactions with the Department, and with other entities for which the Department is regarded as the parent Department. The transactions relate mainly to the provision of healthcare services and purchase of services in the ordinary course of business.

	Revenue £000	Expenditure £000	Receivables £000	Payables £000
Central Manchester University Hospitals NHS Foundation Trust	671	567	0	0
Manchester University NHS Foundation Trust	748	541	488	148
Liverpool Womens Hospital NHS Foundation Trust	717	408	123	68
Royal Liverpool & Broadgreen University Hospitals NHS Trust	1327	573	87	218
Warrington and Halton Hospitals NHS Foundation Trust	274	2019	52	34
NHS Halton CCG	1341	0	100	0
NHS Knowsley CCG	6383	0	227	0
NHS Liverpool CCG	33564	0	472	3
NHS South Cheshire CCG	593	0	137	0
NHS South Sefton CCG	10262	0	626	0
NHS Southport And Formby CCG	3873	0	557	0
NHS St Helens CCG	2071	0	18	0
NHS Vale Royal CCG	410	0	35	0
NHS Warrington CCG	1268	0	56	0
NHS West Cheshire CCG	911	0	0	8
NHS West Lancashire CCG	1028	0	94	0
NHS Wigan Borough CCG	472	0	27	0
NHS Wirral CCG	1934	0	43	0
Health Education England	7661	7	0	69
Department of Health & Social Care	2048	3	126	0
NHS England - Core	18162	2	15243	0
NHS England Cheshire & Merseyside Local Office	1895	0	77	0
NHS England North West Specialist Commissioning Hub	127833	0	4145	0
NHS Resolution	0	4523	0	16
All Other NHS Bodies	6216	3254	3060	989

34. RELATED PARTIES (CONT'D)

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with:

	Revenue	Expenditure	Receivables	Payables
	£000	£000	£000	£000
Liverpool City Council	916	0	275	0
Welsh Health Bodies - Cwm Taf Local Health Board	14584	0	0	0
Northern Health and Social Care Trust - Northern Ireland	565	0	267	0
HM Revenue & Customs - Other taxes and duties	0	10964	0	2926
NHS Pension Scheme	0	13482	3	1919
HM Revenue & Customs - VAT			360	110
NHS Professionals	0	4529	0	684
NHS Blood and Transplant	10	994	0	21
Other WGA Bodies	398	166	147	32

The Trust has a number of transactions with Edge Hill University. Steve Igoe, non-executive director is the Pro-Vice Chancellor for Resources of the university. £48,000 was incurred in expenditure during 2017/18. Outstanding receivables at 31 March 2018 were £7,000 whilst outstanding payables were £3,000.

Expenditure with Liverpool Health Partners Ltd was £81,000 (£80,000 2016/17).

Transactions with related parties are on a normal commercial basis.

35. TRANSFERS BY ABSORPTION

The Trust received a transfer of community paediatric services from Liverpool Community Health NHS Trust from 1 April 2017. There was no gain/loss recognised in the Statement of Comprehensive Income on absorption.

36. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF ALDER HEY CHILDREN'S NHS FOUNDATION TRUST

OPINION

We have audited the financial statements of Alder Hey Children's NHS Foundation Trust for the year ended 31/03/2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, the Statement of changes in equity and the related notes 1 to 36, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.

In our opinion, the financial statements:

- give a true and fair view of the state of Alder Hey Children's NHS Foundation Trust's affairs as at 31 March 2018 and of its income and expenditure and cash flows for the year then ended; and
- have been prepared in accordance with the Department of Health Group Accounting Manual 2017/18 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

USE OF OUR REPORT

This report is made solely to the Council of Governors of Alder Hey Children's NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accountable Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Foundation Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our Audit Approach

Key audit matters

- Management override
- Fraud in revenue and expenditure recognition
- Accounting for Private Finance Initiative scheme
- Valuation of land and buildings

Materiality

- Overall materiality of £2.48 million which represents 1% of operating expenditure.
-

KEY AUDIT MATTERS

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Management override</p> <p>There is a risk that the financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<p>We carried out procedures for identifying fraud risks during the planning stages, and inquired with management about risks of fraud and the controls put in place to address those risks.</p> <p>We gained an understanding of the oversight given by those charged with governance of management's processes over fraud.</p> <p>We considered the effectiveness of management's which are controls designed to address the risk of fraud.</p> <p>We carried out specific audit procedures to test journal entries in the accounts, particularly testing journal entries and other adjustments in the preparation of the financial statements.</p>	<p>We did not identify any material weaknesses in controls or evidence of management override.</p> <p>We did not identify any instances of inappropriate judgements being applied which would indicate manipulation in accounting records or fraudulent financial reporting.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Trusts normal course of business.</p>
<p>Risk of fraud in revenue and expenditure recognition</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p>	<p>We reviewed and tested revenue and expenditure recognition policies;</p> <p>We reviewed accounting estimates for evidence of management bias, including testing of expenditure accruals and provisions;</p> <p>We reviewed the financial statements for evidence of significant or unusual transactions. We also tested a sample of income and expenditure transactions from material revenue streams including year-end debtor and creditor balances;</p> <p>We tested cut-off of income and expenditure at the year-end and conducted testing to identify any unrecorded liabilities at the year-end.</p>	<p>Our testing did not identify any material misstatements from revenue and expenditure recognition.</p> <p>There is a transaction where we concluded that management's judgements in regards to the in-year recognition of revenue is not in accordance with applicable accounting standards. We did not consider this to be a case of fraud in revenue recognition as Management outlined at an early stage of our audit the background to the transaction , the basis of their judgements , they did not take any action to conceal their proposed accounting treatment and the transaction does not materially alter the reported financial position. We recommended that the financial statements be amended for this transaction.</p> <p>Our audit work did not identify any material issues or further unusual transactions to indicate any improper misreporting of the Trust's financial position.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Accounting for the Private Finance Initiative</p> <p>Alder Hey has a significant PFI scheme. Accounting for this material scheme requires the use of a complex financial model, the calculation of estimates and the application of management judgement. As a first year audit, under ISA 510 we are obliged to carry out additional procedures to satisfy ourselves on the accuracy of opening balances.</p> <p>As PFIs use complex models for accounting, involving significant assumptions we will carry out additional procedures to gain assurance on the appropriateness of the underlying models.</p>	<p>We involved our financial modelling and PFI experts to:</p> <ul style="list-style-type: none"> • Test the integrity of the financial model used by the Council. • Test the completeness and accuracy of the inputs to the financial model and the subsequent correct application of the outputs to the financial statements. 	<p>Our PFI expert reviewed the accounting model for PFI scheme and we are satisfied of the integrity of the model.</p> <p>We have further tested the application of the PFI model and were satisfied that the PFI liability is not materially misstated.</p>
<p>Valuation of Land and Buildings</p> <p>Land and buildings accounts for a significant proportion of the Trusts net assets (£193 million out of £206 million as at 31 March 2018). The Trust carries out a rolling valuation programme with the value and remaining useful lives of land and buildings have been estimated by their appointed external valuers.</p> <p>A full valuation was held in 2017/18.</p> <p>The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.</p>	<p>We evaluated the competence, capabilities and objectivity of management's specialist (the valuer).</p> <p>We performed tests over the completeness and appropriateness of information provided to the valuer, and considered the assumptions used by the valuer to assess if they are with acceptable ranges.</p> <p>We reviewed the classification of assets and ensure the correct valuation methodology has been applied, in addition to ensuring the valuer's conclusions have been appropriately recorded in the accounts.</p>	<p>We found the appointed valuer to be appropriately qualified with the relevant skills to perform the valuation analysis.</p> <p>We concluded that the valuation was undertaken in accordance with relevant financial reporting guidance , and the key assumptions used in the valuation were appropriate and within expected ranges.</p> <p>We concluded that the valuation was undertaken in line with the Trusts' accounting policies</p>

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Tailoring the Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Foundation Trust. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Foundation Trust and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Trust to be £2.48 million, which is 1% of operating expenditure. We believe that operating expenditure provides us with a reasonable basis for determining materiality as it is the key driver of the Trust's financial position.

During the course of our audit, we reassessed initial materiality and updated to take into account the reported actual financial position at year end.

Performance Materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality

On the basis of our risk assessments, together with our assessment of the Trust's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £1.24 million. We have set performance materiality at this percentage due to this being our first year as Trust auditor.

Reporting Threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.12 million, which is set at 5% of materiality,

as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other Information

The other information comprises the information included in the annual report on pages 6-194, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

We read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the Code of Audit Practice issued by the NAO

In our opinion:

- the information given in the performance report and accountability report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the parts of the Remuneration and Staff report identified as subject to audit has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

Matters on Which We Report by Exception

The Code of Audit Practice requires us to report to you if

- We issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;

- We refer the matter to the regulator under schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency;
- We are not satisfied that the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources as required by schedule 10(1)(d) of the National Health Service Act 2006;
- we have been unable to satisfy ourselves that the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 and is not misleading or inconsistent with other information forthcoming from the audit; or
- we have been unable to satisfy ourselves that proper practices have been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

The NHS Foundation Trust Annual Reporting Manual 2017/18 requires us to report to you if in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the NHS Foundation Trust acquired in the course of performing our audit.
- otherwise misleading.

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF ACCOUNTING OFFICER

As explained more fully in the Accountable Officer's responsibilities statement set out on page 70, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Governors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities with Respect to Value for Money Arrangements

We are required to consider whether the Foundation Trust has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is based on the overall criterion that "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

Proper arrangements are defined by statutory guidance issued by the National Audit Office and comprise the arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we draw on the requirements of the guidance issued by NHS Improvement to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risk that we consider significant within the Code of Audit Practice which defines as:



“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.”

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risk there is no requirement to carry out further work. Our risk assessment considers both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

CERTIFICATE

We certify that we have completed the audit of the financial statements of Alder Hey Children’s NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General (C&AG).

Hassan Rohimun

HASSAN ROHIMUN
 For and on behalf of Ernst & Young
 LLP Manchester
 25th May 2018

The maintenance and integrity of the Alder Hey Children’s NHS Foundation Trust web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ALDER HEY MAGIC CAMPAIGN LAUNCH WITH BBC

Alder Hey once again teamed up with the BBC to launch the Christmas season and its new campaign Alder Hey Magic.



Alder Hey continued its longstanding relationship with the BBC and welcomed the crews and presenters of both CBeebies and CBBC as they used Alder Hey hospital as their live broadcast set on 1st and 2nd December 2017.

A great deal of energy and effort went in to planning these events, but at the heart of all this activity was the official start of Alder Hey's festive season and campaign, Alder Hey Magic.

As well as encouraging patients to participate in the live links and see themselves on the big screen, presenters also visited patients and families across the hospital wards making it a Christmas to remember.



Alder Hey received visits from both Everton Football Club and Liverpool Football Club last Christmas, which has become an annual tradition. The players spend time

chatting to patients and families as well as posing for photos and signing autographs which really lifts the mood and morale in the hospital at such a difficult time for many.

Alder Hey Children's 
NHS Foundation Trust

If you would like any more information about any of the details in this report, please contact:

By post: Alder Hey Children's NHS Foundation Trust, Eaton Road, Liverpool, L12 2AP

By telephone: 0151 228 4811

By email: communications@alderhey.nhs.uk

www.alderhey.nhs.uk