NHS
Northern Lincolnshire and Goole
NHS Foundation Trust

Agenda

Council of Governors Annual Members Meeting

will be held on 13th September 2021 between 14:00 - 17:00 hours,
Sands Venue Stadium (Glanford Park)
For the purpose of transacting the business set out below

Elected governors are reminded that they have signed a declaration stating that they are eligible to vote as members of the Trust and that they are not prevented by any of the terms of the Constitution from being a member of the Council of Governors (CoG). Elected governors will be deemed to have confirmed that declaration by attending this meeting.

1.	**PATIENT STORY**		14:00
1.1	**Patient Stories during COVID-19** Jenny Hinchliffe, Deputy Chief Nurse (To receive and consider the learning and further actions required from a patient experience story)	Presentation	
2.	**MEETING ITEMS**		14:15
2.1	**Chair's Opening Remarks** Linda Jackson, Acting Trust Chair (To note the Chair's opening remarks)	Verbal	
2.2	**Apologies for Absence** Linda Jackson, Acting Trust Chair (To note apologies for absence)	Verbal	
2.3	**Declaration of Interests** Linda Jackson, Acting Trust Chair (To note declarations of interest)	Verbal	
2.4	**To receive the approved minutes from the previous meeting held on 30th September 2020** Linda Jackson, Acting Trust Chair (To receive the minutes from the previous meeting)	Attached	
3.	**ANNUAL REPORT & ACCOUNTS**	Presentation	14:30
3.1	**Overview of Last Year Including Annual Report & Accounts for 2020/21 and Trust Priorities for the Future** Dr Peter Reading, Chief Executive and Brian Shipley, Deputy Director of Finance (To receive the Annual Report & Accounts for 2020/21)		

	3.1.1 Annual Audit Report for 2020/21 Michael Norman, Audit Manager, Mazars (Trust's External Auditor) (To provide the auditors update and Audit Letter)	Attached	15:30
4.	**STRATEGY & PLANNING – COG BRIEFINGS**		15:40
	4.1 Humber Acute Services Progress Claire Hansen, Humber Acute Services Programme Director	Presentation	
5.	**QUESTIONS FROM THE PUBLIC** Linda Jackson, Acting Trust Chair (To respond to questions from the public)	Verbal	16:00
6.	**REFLECTION OF FORMAT FOR FUTURE REVIEW MEETINGS** Linda Jackson, Acting Trust Chair (To consider the effectiveness of the meeting by asking the following:) Are you satisfied with the agenda items, documentation and level of discussion at today's Council of Governors Annual Members' Meeting?	Verbal	16:30
7.	**ANY OTHER BUSINESS** Linda Jackson, Acting Trust Chair (To discuss any other urgent items of business)	Verbal	16:45
8.	**DATE AND TIME OF NEXT COUNCIL OF GOVERNORS MEETING** Linda Jackson, Acting Trust Chair (To note the date and time of the next formal business meeting) Date: 19th October 2021 Time: 14:00 - 17:00 hours Venue: Sands Venue (Glanford Park)		16:55

Please notify the Membership Office of any apologies for these events

PROTOCOL FOR CONDUCT OF COUNCIL OF GOVERNOR BUSINESS

In accordance with Standing Order 2.4.3 (at Annex 6 of the Trust Constitution), any Governor wishing to submit an agenda item must notify the Chairman's Office in writing at least **10 clear days prior to the meeting at which it is to be considered.** Requests made less than 10 clear days before a meeting may be included on the agenda at the discretion of the Chairman.
Governors are asked to raise any questions on which they require information or clarification in advance of meetings. This will allow time for the information to be gathered and an appropriate response provided.

Northern Lincolnshire and Goole NHS Foundation Trust

Minutes

COUNCIL OF GOVERNORS ANNUAL MEMBERS MEETING

Minutes of the Meeting held on Wednesday, 30th September 2020, from 14:00 to 16:30 hours, Virtual Meeting held by GoToMeeting

Present:

Linda Jackson	Vice Chair	Rob Pickersgill	Public Governor
Diana Barnes	Public Governor	Steve Price	Public Governor
Jeremy Baskett	Public Governor	Ian Reekie	Public Governor
Tony Burndred	Public Governor	Cllr Stan Shreeve	Stakeholder Governor
Maureen Dobson	Public Governor	Liz Stones	Public Governor
Paul Grinell	Public Governor	Dr Gorajala Vijay	Public Governor
Tim Mawson	Staff Governor		
Eddie McCabe	Stakeholder Governor		

In Attendance:

Adrian Beddow	Associate Director of Communications
Tony Bramley	Non-Executive Director
Stuart Hall	Associate Non-Executive Director
Helen Harris	Trust Secretary
Claire Hansen	Deputy Director of Operations (representing Shaun Stacey)
Dawn Harper	Deputy Chief Nurse (representing Ellie Monkhouse)
James Hayburn	Interim Director of Finance
Kathryn Helley	Improvement Programme Director
Alison Hurley	Membership Manager & Assistant Trust Secretary
Jug Johal	Director of Facilities
Ivan McConnell	Director of Strategic Development
Karl Portz	Equality, Diversity & Inclusion Lead
Mike Proctor	Non-Executive Director
Dr Peter Reading	Chief Executive
Melanie Sharp	Deputy Chief Nurse (representing Ellie Monkhouse)
Harriett Stephens	Head of Education, Training and Development (representing Claire Low)
Mark Surridge	Mazars Auditors
Simon Thackray	Consultant Cardiologist
Michael Whitworth	Non-Executive Director
Dr Kate Wood	Medical Director
Zoe Hinsley	Senior Membership Officer (minutes)
Serena Mumby	Membership Officer (presentations)

Public Members

Terry Aldridge
Joseph Bowman
Jennifer Clarke
Barry Coley
Carol Coley
David Cuckson
Julie Grimmer
Paula Wilson

Stakeholders & Partner Trusts:	Tracy Astley	– York Teaching Hospital
	Carrie Butler	– Healthwatch North Lincolnshire
	Sylvia Leary	– Care Plus
	Daniel Perks	– ISS Facility Services UK
	Tracey Slattery	– Healthwatch North East Lincolnshire
	Joe Warner	– Focus

The Council agreed to commence with agenda Item 2.

2. MEETING ITEMS

2.1 Chairs Opening Remarks

Linda Jackson explained that she would be Chairing the meeting in the absence of Trust Chair, Terry Moran, and welcomed everyone to the Council of Governors (CoG) Annual Members' Meeting (AMM), including Public Members and representatives from the Trust's stakeholder organisations.

Linda Jackson took members through the protocols for the meeting and advised if she experienced any difficulties with Information Technology (IT) connectivity, Tony Bramley would chair until she re-joined the meeting. Everyone was advised that the CoG AMM meeting being held via GoTo would be recorded. A brief CoG Business Meeting would also follow the CoG AMM at 16.30 hours to address one business item, 'Proposals for the Development of Integrated Acute Assessment Units and Extended Emergency Departments'.

Linda Jackson introduced and welcomed Mike Proctor, who had recently been appointed as Non-Executive Director (NED), replacing Sandra Hills as the Chair of the Quality & Safety Committee (Q&SC). This would be Jim Hayburn's last CoG meeting and on behalf of the Trust she expressed their sincere gratitude for the superb work he had undertaken over the last 12 months. He had seen the Trust through the 2020/21 planning round, the COVID-19 pandemic, and the achievement of the financial plan for the first time in many years.

The agenda then resumed to the planned running order.

1. PATIENT STORY

1.1 Patient Stories

Melanie Sharp introduced herself as Deputy Chief Nurse and delivered the Patient Stories presentation. Communication via IT tablets had provided the opportunity to enable patients to be supported to connect with their families, where they may have otherwise struggled. Further work was required to embed these new methods and improve all forms of communication with carers and families. This included the Trust website, patient information leaflets, social media messages, alternative languages and formats.

Linda Jackson thanked Melanie Sharp for her informative update and Health Tree Foundation for arranging funding of the IT tablets. Questions were then invited.

Dr Kate Wood expressed her appreciation and gratitude to Melanie Sharp and the Patient Experience Team, for their continuous hard work supporting patients and families within wards.

Council Decision: The Council received the Patient Stories Presentation.

2.2 APOLOGIES

Apologies for absence were received from:

Public Governors: Vince Garrington and Brian Page
Stakeholder Governors: Cllr Anne Handley and Alex Seale
Non-Executive Directors: Stuart Hall.
Executive Directors: Jo Loughborough (represented by Dawn Harper and Melanie Sharp), Claire Low (represented by Harriett Stephens), Ellie Monkhouse (represented by Dawn Harper and Melanie Sharp), Terry Moran (represented by Linda Jackson), and Shaun Stacey (represented by Claire Hansen).

Alison Hurley added that Cllr Stan Shreeve was required to leave the meeting at 4pm for a further meeting, Ellie Monkhouse hoped to join the meeting at some point, and Dr Kate Wood needed to leave the meeting at 4pm to take a phone call.

2.3. DECLARATION OF INTERESTS

Linda Jackson requested members of the Council to raise any conflicts of interest relating to specific agenda items or provide any updates to their annual declaration of interests. None were received

2.4. TO APPROVE THE MINUTES OF THE PREVIOUS MEETING HELD ON 6TH SEPTEMBER 2019

Linda Jackson invited members to approve the minutes of the CoG AMM held on 6th September 2019. The minutes were approved as a true and accurate record.

Council Decision: The Council received, noted and approved the minutes.

3. ANNUAL REPORT & ACCOUNTS

3.1 Overview of Last Year Including Annual Report & Accounts for 2019/20 and Trust Priorities for the Future

Linda Jackson explained that the AMM is the occasion at which the Annual Report and Accounts are formally received and published by the Trust via the CoG.

Dr Peter Reading introduced himself and provided an overview of the highlights of the past year. This included an update on capital bids/projects for the

Emergency Departments and Acute Assessment Units (AAUs), the new computerized tomography (CT) and magnetic resonance imaging (MRI) scanners, the upgrade of the fire and water safety systems, Critical Care funding, the Bereavement Suite at Scunthorpe General Hospital (SGH) and the fully upgraded Ward 29 at SGH.

Further highlights included the securing of the Integrated Musculoskeletal (MSK) and Chronic Pain Service in North Lincolnshire as part of a joint bid, Joint Advisory Group (JAG) accreditation secured for endoscopy services for a further year, several new senior leaders and 30 clinical leads, some improvements in the 2019 national staff survey and continued improvements in junior doctors fill rates.

Jim Hayburn presented the financial overview for 2019/20 financial year and confirmed the Trust and the Integrated Care System (ICS) delivered their Control Totals, and the Trust invested approximately £4 million, which was primarily for additional staffing.

Dr Peter Reading presented an overview of 2019/20 Annual Report including Trust progress in 2020/21. The Trust continues to be in quality Special Measures following the Care Quality Review (CQC) inspection, although notable improvements had been made within staffing in Accident and Emergency (A&E); work on end of life care had progressed, and improved positions were evident on waiting lists, out-patient follow-ups and diagnostics, including scanning and reporting.

In relation to Mortality improvements, it was reported that improvements had been driven by a focus on improved clinician oversight and ownership of established processes ensuring robust data is available and utilised for the Summary Hospital-level Mortality Indicator (SHMI). The SHMI being the ratio between the actual number of patients who die following hospitalisation at the Trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated.

Winter pressures along with the effects of COVID-19 had impacted greatly on the performance data for Cancer and Referrals to Treatment (RTT), including 18 week and 52 week waiters. The presentation provided the Trust's actions taken as a response to managing Covid-19.

14.44 hours Claire Hansen and Terry Aldridge arrived

An update on the Trust priorities for the remainder of 2020/21 in addition to managing COVID-19 was delivered.

Linda Jackson thanked Dr Peter Reading and invited any questions or points for clarification.

Jim Hayburn responded to a query from Ian Reekie and outlined the positives and consequences of NHS England/Improvement (NHSE/I) moving to system level financial allocations in the ICS from the Trust's perspective. Positive elements for the Trust had included recognition of achievement of the cost base of the Trust over the last six months, the change to funding provider costs and

collaborative partnership working to transform services without incorporating exceptional financial debts.

Difficulties had included the ICS not currently existing as a statutory body and therefore not having formal accountability in terms of governance, as opposed the Trust and Clinical Commissioning Groups (CCGs). It was also noted that there would be competing priorities over quality and finance issues in the ICS, and a solution would be to align agendas across the system and have a shared direction with evident benefits.

Ian Reekie queried the level of patient and public engagement on the Humber Acute Services (HAS), and particularly the Integrated Clinical Plan (ICP) which addresses the fragile and vulnerable services. There is concern at the perceived lack of engagement in advance of any formal consultation, other than the local authority Overview and Scrutiny Committees.

Ivan McConnell confirmed that plans were in place to undertake a review of the implementation timelines for phase one and two and the associated engagement which had been initially planned for the end of October or early November 2020. Statutory requirements would be met by ensuring robust engagement was undertaken throughout the process, via information dissemination and capturing and addressing feedback. Clinical workshops had also been arranged and included pollution, health, service demand, patient flow which will provide further means of engagement.

A short discussion ensued about the delivery of all phases. It was confirmed that the final pre-consultation was planned to be undertaken with the presentation of proposed business cases between January and March 2021. This would be followed by engagement with wider groups, including formal statutory groups which would include Governors and have a key focus on reaching people who use the services. Adrian Beddows confirmed the Communications Team were exploring options to achieve this goal.

Linda Jackson thanked Ivan McConnell and asked Ian Reekie if this addressed his query. Ian Reekie clarified he was specifically querying the six months period for the ICP engagement of Phases One and Two. Dr Peter Reading responded in the absence of Shaun Stacey and confirmed the terminology used in the report had been confused by using the meaning of the word phase in two different contexts, the terminology should have been referred to as ‘phase’ and ‘stage’.

In response to a query from Rob Pickersgill about Phase Three for Primary and Community Transformation, Dr Peter Reading reported that the HAS focused on acute hospitals, and emphasised the necessity to work in parallel with primary and community changes to achieve the best outcomes, with the CCGs taking the lead. North Lincolnshire partnership work had commenced and North East Lincolnshire developments had been undertaken to create a Health and Care Executive attended by Ivan McConnell and Dr Peter Reading, led by independent Chair Kevin Turner.

Ivan McConnell drew attention to the limitless exertion shown through the COVID-19 pandemic to ensure progress continues to plan. Jeremy Baskett

concurred, referred to the lessons learnt at Manchester University NHS Foundation Trust and queried how the Trust planned to tackle the envisaged second COVID-19 wave. Dr Kate Wood confirmed her curiosity with the Manchester findings and advised the Trust had fortunately not experienced the same impact of COVID-19 as some other Trusts. Bed space reviews were undertaken on a daily basis in order to be reactive to daily requirements during the height of the first COVID-19 wave, as 120 beds had been made unavailable in line with the COVID-19 policy.

Jeremy Baskett drew attention to a single site hospital being explored within Scunthorpe; and queried whether it presented an opportunity to explore how the Trust provides services across the South Bank and East Lindsey. Dr Peter Reading confirmed discussions had been held around the erection of a new hospital at Barnetby Top near Scunthorpe but was rejected primarily due to logistical complications for patients between the two main towns. The criteria to gain national support had also not been met. There is a need to ensure Lincolnshire CCG was involved to ensure appropriate representation for East and West Lindsay requirements.

Dr Peter Reading responded to a query from David Cuckson relating to the Well Led action in the CQC report and whether it was appropriate to have a joint Chair for the Trust and Hull University Teaching Hospitals (HUTH) NHS Trust. The proposal for the Joint Trust Chair role had been approved by the CoG following thorough consultation. There is significant benefits for the Trust in acquiring the expertise of Terry Moran and the closer working relationship and collaborative working with HUTH. Linda Jackson concurred and confirmed that positive outcomes were already evident from this role and her position as Vice Chair, with both roles being clearly defined with no overlap.

Tim Mawson advised that he had initially voted against the instatement of a Joint Trust Chair, and he confirmed through further information and reflection he felt confident that his revised approval of the role was the correct decision for the Trust.

David Cuckson queried the appointment of NEDs outside of the Trust area and Linda Jackson stated this approval had only been established for exceptional circumstances to ensure the best candidate was recruited for the position. This was reflected in the Trust Constitution.

Jim Hayburn provided a short explanation around the Trust's cash balance and timely payment of creditors in response to a query from David Cuckson and confirmed that 80% were paid within 30 days.

Paul Grinell confirmed his close involvement with the process to appoint Terry Moran as Joint Trust Chair due to being a member of the Appointments and Remuneration Committee, and advised of his strong recommendation to approve the proposal from the beginning. Throughout the process to appoint the Joint Chair it was confirmed that this did not approve a merger between the two Trusts. The capital funding is welcomed to upgrade the fire and water safety systems referred to in slide two, and queried how quickly the finances could be accessed and deployed and the potential effects of COVID-19. Jug Johal confirmed the finance must be paid by March 2021, and advised the Trust

were confident the work would be achieved within deadlines specified despite additional pressures from COVID-19.

Council Decision: The Council received the overview of last year including Annual Report & Accounts for 2019/20 and Trust Priorities for the Future

3.1.1 Annual Audit Letter for 2019/2020

Mark Surridge introduced himself as the Engagement Lead for Mazars, the Trust's external auditors, and provided a brief overview of the executive summary in the letter. The opinion of the Financial Statement was considered to provide a true and fair view of the Trust's and Group's financial position. The Trust were the first to submit their Financial Statement from the 40 NHS Trusts represented by Mazars, and had the least number of required changes, which was an excellent result.

The second area of responsibility was for Value for Money referred to as financial governance and decision making, and had been awarded a red rating. The required formal language used by Mazars could appear harsh, and explained that the parameters of ratings awarded were restricted due to the Trust being in Financial Special Measures. Therefore, the outcome should be viewed as constructive, as Mazars had not uncovered anything the Trust were not aware of.

At 15.14 hours Julie Grimmer left the meeting.

The third responsibility for Mazars to submit necessary reports to the National Audit Office to confirm the Trust's Consolidation Return was consistent with the audited financial statements was achieved.

It was noted that under the final responsibility relating to Statutory Reporting, Mazars had not been required to apply any additional actions or levels of recommendations.

Linda Jackson thanked Mark Surridge for his helpful overview and invited any questions.

Mark Surridge responded to a query from David Cuckson and confirmed that due to the implications of COVID-19, a moderate additional fee had been agreed in addition to the original quotation for the service.

Melanie Sharp left the meeting at 15.53 hours.

Jim Hayburn advised that 2020 had been the first year Mazars had been appointed as the Trust's External Auditors, and thanked Mazars for their effective approach and fair reporting.

Council Decision: The Council received the Annual Audit Letter for 2019/20

Karl Portz joined the meeting at 15.55 hours.

4. QUESTIONS FROM THE PUBLIC

Alison Hurley confirmed a series of questions had been submitted from public member David Cuckson as follows:

> I presume that the Trust has a Patient Experience Committee (or equivalent). If not, why not? Are Governors represented on this committee? If so, do they find their participation is productive?

Alison Hurley confirmed the Trust had a Patient Experience Group (PEG) chaired by Jo Loughborough, the patient safety lead and would be attended by public Governor, Ian Reekie. Ian Reekie also chairs the Governor Membership and Engagement Group (MPEG), which was in turn attended by Jo Loughborough, to effective oversight, information sharing and engagement. Ian Reekie concurred and confirmed his request to attend the PEG was to gain assurance.

5. REFLECTION OF FORMAT FOR FUTURE REVIEW MEETINGS

Linda Jackson drew attention to the change to holding a virtual AMM as a result of COVID-19, which could be viewed as not ideal, but confirmed the Trust's aim to return to meeting in person again next year.

Paul Grinell confirmed he was content with the organisation of the meeting and expressed his disappointment in the number of Trust Members attending general CoG meetings. Every effort should be explored to fully engage with Trust Members and supported the aims of MPEG in endeavouring to do this.

David Cuckson introduced himself as a member of the public and confirmed the presence of senior members including the Chief Operating Officer would be beneficial for submission of questions. The use of GoTo Meetings an alternative supplier such as Starleaf be used in future virtual meetings. Linda Jackson thanked David Cuckson for his comments which would be noted, and advised that through her considerable experience now of using different virtual meeting providers, they all had glitches and the Trust were currently required to utilise the GoTo provider. All Executive Directors were either in attendance at CoG meetings or provided representatives.

6. ANY OTHER BUSINESS

Linda Jackson invited members to raise any other business.

Terry Aldridge introduced himself as a Trust Member and an active patient representative for the Trust's Trauma and Orthopaedic Group and advised he did not have access to patient evaluations or reports and added that this was echoed by patient representatives on other sub-groups. Dawn Harper apologised and advised this role was a key element of the Trust's Patient Safety Strategy. Rich and informative patient data was available and could be shared, and suggested meeting outside of the CoG meet to resolve the situation.

Council Action: Dawn Harper to meet with Terry Aldridge to discuss and resolve patient representative engagement issues raised.

7. DATE AND TIME OF NEXT COUNCIL OF GOVERNORS MEETINGS AND BRIEFINGS

Linda Jackson thanked everyone for attending and contributing and advised that the venues for the next CoG Meetings would be confirmed shortly in line with Government recommendations to ensure appropriate social distancing and the safety of staff and CoG members. A five minute comfort break was then taken ahead of the brief CoG Business Meeting to address one business item, 'Proposals for the Development of Integrated Acute Assessment Units and Extended Emergency Departments'.

Council of Governors Business Meeting
Date: 15th October 2020
Time: 14:00 - 17:00 hours
Venue: TBC

Please notify the Membership Office of any apologies for these events.

PROTOCOL FOR CONDUCT OF COUNCIL OF GOVERNOR BUSINESS

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• Governors were asked to raise any questions on which they require information or clarification in advance of meetings. This would allow time for the information to be gathered and an appropriate response provided.

Linda Jackson thanked members for their attendance and contributions. The meeting closed at 16:04 hours.

Agenda item 1.1 patient stories during COVID – Quantifying quality

Link To You tube to watch video: https://youtu.be/ovT6uOKStrE

CoG (09/21) Item 3.1.1

DATE OF MEETING	13th September 2021
REPORT FOR	Council of Governors' Annual Members' Meeting
REPORT FROM	Mazars LLP
CONTACT OFFICER	Mark Surridge, Director (Mazars LLP) Mike Norman, Senior Manager (Mazars LLP)
SUBJECT	Annual Auditor's Report 2020-21
BACKGROUND DOCUMENT (if any)	
OTHER GROUPS WHO HAVE CONSIDERED PAPER (where applicable) AND OUTCOME	Audit Committee
EXECUTIVE SUMMARY	The Annual Auditor's Report summarizes the auditor's views on the Trust's arrangements to secure value for money across the themes of financial sustainability, governance and improving economy, efficiency and effectiveness in the use of resources.

LINK TO STRATEGIC OBJECTIVES - which does this link to? (please tick ✓)				
1. To give great care	**2. To be a good employer**	**3. To live within our means**	**4. To work more collaboratively**	**5. To provide strong leadership**
		X		

TRUST PRIORITIES - which Trust Priority does this link to? (please tick ✓)			
Pandemic Response		**Workforce and Leadership**	
Quality and Safety		**Digital**	
Estates, Equipment and Capital Investment		**Strategic Service Development and Improvement**	
Finance	**X**	**The NHS Green Agenda**	
Partnership & System Working			

BOARD ASSURANCE FRAMEWORK (explain which risks this relates to within the BAF or state not applicable (N/A)	n/a

BOARD / COMMITTEE ACTION REQUIRED (please tick ✓)	**Approval**	**Information**	**Discussion**	**Assurance**	**Review**
		X		X	

Auditor’s Annual Report

Northern Lincolnshire and Goole NHS Foundation Trust– year ended 31 March 2021

August 2021

mazars

Contents

01

Section 01:

Introduction

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Northern Lincolnshire and Goole NHS Foundation Trust ('the Trust') for the year ended 31 March 2021. Although this report is addressed to the Trust, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.

Opinion on the financial statements

We issued our audit report on 11 June 2021. Our opinion on the financial statements was unqualified.

Wider reporting responsibilities

In line with group audit instructions issued by the NAO, on 11 June 2021 we reported that the Trust's consolidation schedules were consistent with the audited financial statements.

Value for Money arrangements

In our audit report we reported that we had not completed our work on the Trust's arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Trust's arrangements.

Following the completion of our work we issue our audit certificate which formally closes the audit for the 2020/21 financial year.

02

Section 02:

Audit of the financial statements

In this section of the report, we summarise the outcome of our audit of the financial statements

Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Trust and whether they give a true and fair view of the Trust' and its subsidiaries' financial position as at 31 March 2021 and of its financial performance for the year then ended. Our audit report, issued on 11 June 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021:

"In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2021 and of the Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006."

03

Section 03:

Commentary on VFM arrangements

In this section of the report, we explain our approach, whether we identified any significant risks and whether those significant risks led to identified weaknesses in arrangements

Commentary on VFM arrangements

Overall Summary

VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- Financial sustainability;
- Governance; and
- Improving economy, efficiency and effectiveness.

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Trust has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements. Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Our assessment of what constitutes a significant weakness is a matter of professional judgement, based on our evaluation of the subject matter in question, including adequacy of the Trust's responses. The National Audit Office's guidance states that a weakness may though be said to be significant if it:

- Exposes (or could reasonably be expected to expose) the body to significant financial loss or risk;
- Leads to (or could reasonably be expected to lead to) significant impact on the quality or effectiveness of service or on the body's reputation;
- Leads to (or could reasonably be expected to lead to) unlawful actions; or
- Involves a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

Where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement.

To arrive at our assessment, we performed a variety of work to obtain an understanding of the Trust's arrangements for each specified reporting criteria. This included performing a detailed risk assessment, drawing from a variety of sources, including, but not limited to:

- Meeting with management and reviewing information provided by management';
- Considering the views of the Audit, Risk and Governance Committee;
- Reviewing supporting guidance from the National Audit Office, including indicators of significant weaknesses;
- Considering our understanding of sector developments and any local issues;
- Reading and reviewing Board and Committee reports;
- Reviewing the Trust's Annual Governance Statement and Annual Report;
- Considering the outcomes from the work of internal audit;
- Reading risk registers and risk management reporting; and
- Considering the work of regulators and inspectorates.

VFM arrangements – Overall summary

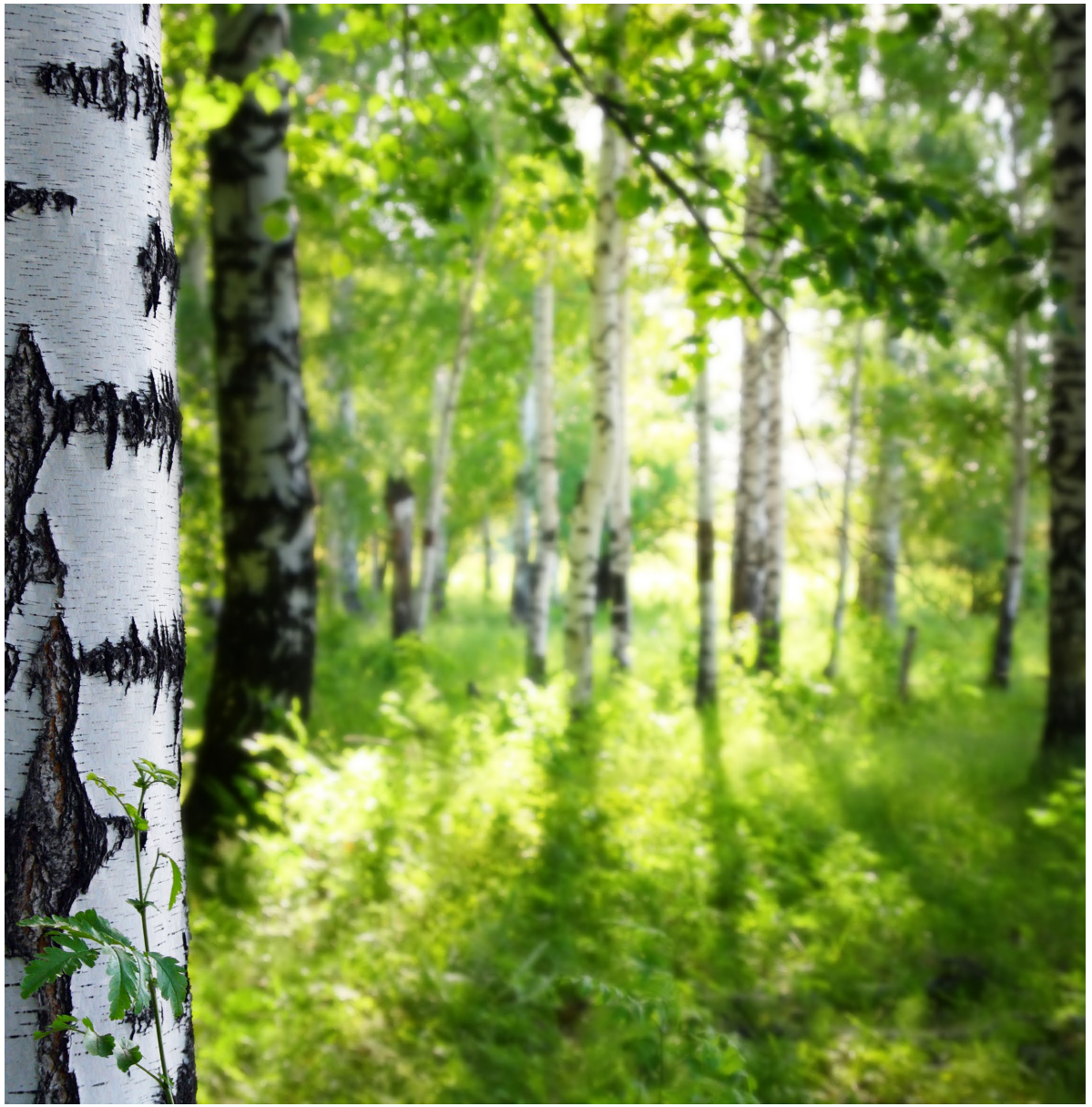
Summary

The table below summarises the outcomes of our work against each reporting criteria. We presented these findings to the Audit, Risk and Governance Committee on 27 August 2021.

Reporting criteria	Commentary page references	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services	17-20	Yes	Yes
Governance: How the Trust ensures that it makes informed decisions and properly manages its risks	21-22	No	No
Improving economy, efficiency and effectiveness: How the Trust uses information about its costs and performance to improve the way it manages and delivers its services	23-26	Yes	Yes

Commentary on VFM arrangements

Risks of significant weaknesses in arrangements



VFM arrangements – Risks of significant weakness in arrangements

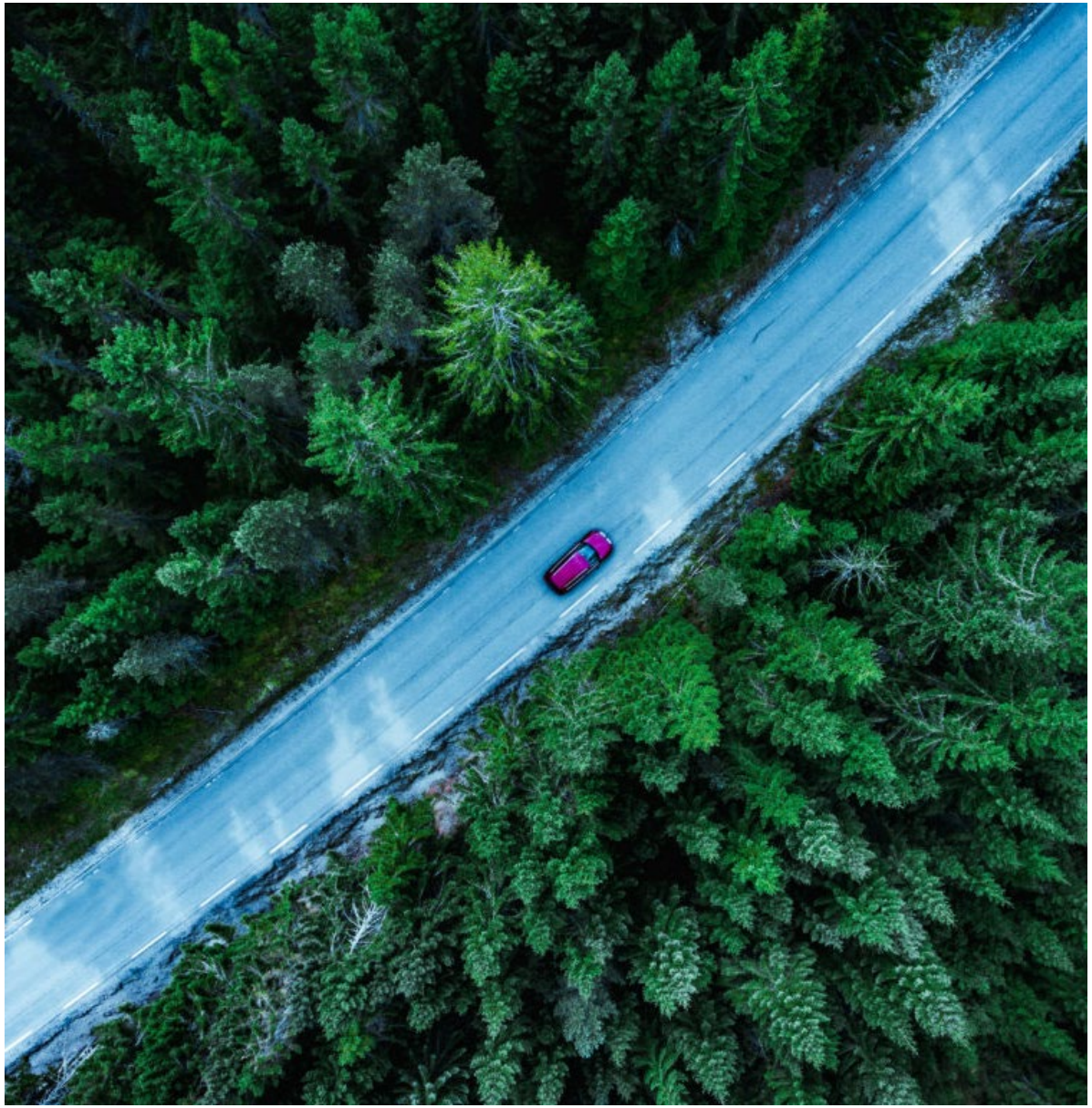
Risks of significant weaknesses in arrangements

We have outlined below the risks of significant weaknesses in arrangements that we identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements	Work undertaken	Results
The Trust is in Special Measures The outcome from the most recent CQC inspection in 2020 was 'requires improvement' and at the end of 2020/21, the Trust's overall quality rating by the CQC remains as 'Requires Improvement. Ratings will not change until the next formal inspection by the Care Quality Commission.	Our work in relation to this matter included: • Reviewing relevant CQC Reports • Reviewing the Trust's score under the Single Oversight Framework • Reviewing Board / Audit, Risk and Governance Committee Reports to review progress • Discussions with management the actions being taken to resolve the weaknesses identified in the reports.	On 27 August 2021, we reported this significant weakness to the Trust and supported it with a recommendation for improvement. A summary of the significant weakness in arrangements identified and the supporting recommendations for improvement are provided on page 14.
The Trust's financial sustainability Total group operating income for the year as recorded in the Statement of Comprehensive Income was £478m. This ultimately resulted in a deficit for 2020/21 of £6.7m, compared to a deficit in 2019/20 of £22.2m. As set out in the Statement of Financial Position, the Group Income & Expenditure Reserve is £208m deficit. The Trust continues to be in financial special measures. At the end of 2020/21, under the Single Oversight Framework, the Trust is scored 4, defined as: Providers in special measures: there is actual or suspected breach of license with very serious and/or complex issues.	Our work in relation to this matter will include: • Reading the Trust Board papers for insight on the financial and quality performance of the Trust through 2020/21 • Review the Trust's financial performance for 2020/21 through the financial statements • Discuss with management and review the Trust's progress in developing a financial plan within the constraints of the current NHS funding regime.	On 27 August 2021, we reported this significant weakness to the Trust and supported it with a recommendation for improvement. A summary of the significant weakness in arrangements identified and the supporting recommendations for improvement are provided on page 15.

Commentary on VFM arrangements

Identified significant weaknesses and our recommendations



VFM arrangements - Identified significant weaknesses and our recommendations

As a result of our work, we have identified significant weaknesses in the Trust's arrangements to secure economy, efficiency and effectiveness it its use of resources. The identified weaknesses have been outlined in the table below and pages 17-26.

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation(s)
The Trust is in Special Measures The overall outcome from the most recent Care Quality Commission (CQC) inspection in 2019 was a combined rating of 'requires improvement', and the Trust continues to operate under the Quality Special Measures introduced in April 2017. The detailed assessment included a negative change in the rating in the 'Safe' domain (to 'inadequate') and an improvement in the rating in the 'well led' domain (to 'requires improvement'). Ratings will not change until the next formal inspection by the CQC. NHS England and Improvement (NHSE/I) continues to meet with the Trust for performance review meetings. The Trust also continues to be under the Financial Special Measures introduced in 2017. Under the Single Oversight Framework (SOF), which is designed to help NHS providers attain, and maintain, CQC ratings of 'Good' or 'Outstanding', The Trust's public score for 2020/21is "4", defined as: *Providers in special measures: there is actual or suspected breach of licence with very serious and/or complex issues*. The public score is changed only once providers have been informed by their regional lead and there is a move between segments. We recognise the impact of Covid-19 during the year, and acknowledge the steps being taken to engage with CQC and NHSE/I to address the areas of concern highlighted in inspection reports and secure financial sustainability. The Trust has though remained in financial and quality special measures throughout 2020/21 and there is insufficient evidence to demonstrate the Trust has made sufficient progress for conditions to be lifted by regulators. As a result, there is a significant weakness in the Trust's arrangements that exposes it to a risk of significant overspending and can be reasonably expected to lead to a significant impact on the quality or effectiveness of service and the Trust's reputation.	●		●	In order to ensure systems, processes and training are in place to manage the risks relating to the health, safety, and welfare of service users, the Trust must ensure it embeds and sustains the action plans that it has put in place Trust-wide to address the patient care issues identified by the CQC. In particular, it needs to ensure that robust monitoring and reporting processes are maintained, and that challenge, scrutiny and escalation arrangements drive the required improvements for patients and sustain the progress made to-date in implementing the actions to address the issues raised by the CQC.

VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation(s)
The Trust's financial sustainability Following the onset of the Covid-19 pandemic, the original NHS Planning Guidance 2020/21 was suspended and a new financial regime implemented. Systems were expected to achieve financial balance within this envelope and individual organisations were able to deliver surplus or deficit positions by mutual agreement within the system. As reported in the audited financial statements, the Group financial outturn was £7m deficit in 2020/21 and a £22m deficit in 2019/20, both an improvement from the £59m deficit in 2018/19. The Group financial statements also show the financial performance as measured on a control total basis by NHSE/I as: £0.1m surplus in 2020/21 and £25m deficit in 2019/20, with the deficit being £58m in 2018/19. The cumulative Income and Expenditure deficit at 31 March 2021 is significant, at £208m. The Trust has been in Financial Special Measures since 2017 and continues to face significant financial challenges. The Trust has engaged with NHS England and Improvement (NHSE/I) regarding the current criteria for exiting from Financial Special Measures In 2021/22. These are focused on the Trust and the Integrated Care System achieving the first 6 months financial plan, restructuring of the Finance team, delivering planned savings and developing a robust long term financial plan with emphasis on reducing Covid expenditure and the underlying run rate. The Trust's long term financial sustainability is dependent, amongst other things, on the resolution of long-standing issues in relation to the local configuration of services and workforce, which is the focus of the ongoing Humber Acute Services Review and also of the work with Hull University Teaching Hospitals NHS Trust to complete the Interim Clinical Plan. It is also dependent on the national funding structures yet to be determined. These long-standing issues, alongside the need to respond and adapt to Covid-19, have prevented the Trust from improving arrangements to secure financial sustainability during 2020/21. Overall, therefore, we have concluded that there is an ongoing significant weakness in arrangements to secure financial sustainability.	●			Within the context of revisions to NHS financing and the 2021/22 Planning Guidance, the Trust should ensure that it delivers the action plans that have been developed by management, and that monitoring and reporting, challenge and scrutiny and escalation arrangements are in place to drive the required improvements for patients and sustain the improvements that are made.

Commentary on VFM arrangements

Our commentary on each reporting criteria

VFM arrangements – financial sustainability summary

Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services

Position brought forward from 2019/20

We considered the findings from previous years' Value for Money Conclusion work. We noted that adverse Value for Money Conclusions were given by Mazars and predecessor auditors in each year going back to 2013/14, indicating that the auditors were not able to confirm that under the previous Value for Money assessment framework that the Trust had proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

In the most recent assessment we reported in our 2019/20 Auditor's Report that the following were evidence of weaknesses in proper arrangements for securing value for money, with an adverse conclusion required:

- Breach of Licence - the license condition issued in August 2013 to the Board of Directors and the Council of Governors, triggered by a deterioration in the Trust's financial position, was still in place. Original enforcement undertakings issued in April 2015 had since been replaced and superseded in May 2017 but remained in place, stating that the Trust had demonstrated a failure of governance and financial management.
- Financial performance and Financial Special Measures - in March 2017, NHS Improvement placed the Trust in Financial Special Measures, noting the Trust had a significant variance from its control plan and was forecasting a significant deficit. The Trust's financial Special Measures status is still in place.
- CQC Inspection and Quality Special Measures - the Trust was placed into Quality Special Measures by NHS Improvement in April 2017 as a result of a recommendation from the Care Quality Commission (CQC) following its inspection in November 2016 where an overall 'Requires Improvement' rating was determined. The latest CQC inspection, undertaken in September 2019, the outcome of which was received by the Trust on 7 February 2020, re-affirmed this position with an overall 'Requires Improvement' rating again being determined. The Trust's Quality Special Measures status is still in place and its CQC rating is unchanged.

Although NAO's value for money assessment has changed from 2020/21 onwards these regulator conditions and judgements continue to apply to the Trust and are relevant to our identification of risks of significant weaknesses in the Trust's current arrangements.

Background to the NHS financing regime in 2020/21

Following the onset of the Covid-19 pandemic in March 2020, the original NHS Planning Guidance 2020/21 was suspended and a new financial regime was implemented. For the first half of the year (April to September 2020) all NHS trusts and NHS foundation trusts were moved to block contract payments 'on account' and the usual Payment by Results national tariff payment process was suspended. The Financial Recovery Fund was also suspended and NHS providers were able to claim for additional costs due to Covid-19. Whilst commissioner allocations for 2020/21 had already been notified, individual commissioner financial positions were kept under review and top-up payments were issued to CCGs to cover the difference between allocations and expected costs to pass on to providers.

For the second half of the year (October 2020 to March 2021) there was a move to "system envelopes" with funding allocations covering most NHS activity made at the system level, including resources to meet the additional costs of the Covid-19 pandemic. There were no further general retrospective top-up payments and all Covid-19 costs from that point were funded through the fixed Covid-19 funding allocation with a few exceptions.

Systems were expected to achieve financial balance within this envelope and individual organisations were able to deliver surplus or deficit positions by mutual agreement within the system. However, NHS trusts were still required to meet their statutory break-even duty and CCGs required to meet their resource limits.

VFM arrangements – financial sustainability summary

Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services

Overall responsibilities for financial governance

We have reviewed the Trust's overall governance framework, including Board and Committee Reports, the Annual Governance Statement, and Annual Report and Accounts to confirm the Trust Board has arrangements to meet its responsibility to make the best use of financial resources and deliver the services people need, to standards of safety and quality which are agreed nationally.

We have reviewed reports and minutes of the Finance and Performance Committee, confirming there is oversight on all aspects of financial management and operational performance on behalf of the Board.

Budget monitoring and control

We read the Trust's Standing Financial Instructions and these include specific provisions for budgetary control and reporting and Finance Managers provide reports and support to budget holders and teams to support effective financial management of those component parts of Trust financial performance. Clear responsibilities are outlined for budget holders and the Trust's Standing Financial Instructions include specific provisions for the preparation and approval of the Annual Plan and budget.

Our discussions with management and our review of committee reports and minutes confirms that throughout 2020/21, the Finance and Performance Committee and the Trust Board, through an Integrated Performance Report and Finance Report, have received regular reports on financial performance and planning. We reviewed a sample of reports presented for 2020/21, which contain evidence of a clear summary of the Trust's performance, detail on any variances and adequate explanations of the causes.

As reported in the audited financial statements, Total Operating Income for 2020/21, as recorded in the Statement of Comprehensive Income, was £478m and Total Operating Expenses were £481m. The operational and financial performance was heavily impacted by Covid, with specific changes introduced to the System's funding regime and additional costs required. As set out in Note 5 Operating Expenses, staff costs increased from £293m in the prior year to £324m in 2020/21, with the increase including a £5.4m increase in the accrual outstanding annual leave and a £3.0m increase in agency costs.

The Trust has well established arrangements for effective year end financial reporting, with statutory deadlines met for 2020/21 and an unqualified audit opinion issued. No significant concerns were reported in our Audit Completion Report and the final outturn was in line with the forecast position during the year.

The Trust's Strategic Objectives include 'to live within our means'. We reviewed a selection of Board and Audit, Risk and Governance Committee meetings where the Board Assurance Framework was presented. Our review confirms the Board Assurance Framework includes specific risks regarding this objective. These risks relate to the Trust and its system partners meeting their financial objectives and securing sufficient capital funding to support the planned redevelopment of the Trust's estate. We considered the controls, sources of assurance and plans to address the risk as presented in the Board Assurance Framework and are satisfied there is evidence of ongoing review, challenge and action by the Trust.

The Board Assurance Framework identified control gaps relating to this Strategic Objective include:

- Challenges to the delivery of the Cost Improvement Programme;
- Uncertainty regarding financing framework for the 2nd half of 2021/22 and future years;
- The development of the Trust's Finance Strategy; and
- The System finance plans ability to address individual organisation's sustainability.

Some sources of assurance or actions continue to be challenging during Covid-19 and there remains an ongoing challenge in the need for clarity on NHS financing beyond October 2021.

VFM arrangements – financial sustainability summary

Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services

Financial standing

The Consolidated Statement of Comprehensive Income we audited includes a separate disclosure relating to the Trust's financial performance against its control total, which we have re-produced in the table below as well as showing the two major components of Taxpayer's Equity: Public Dividend Capital and the Income & Expenditure Reserve. Figures in brackets represent a deficit position.

	2018/19 (£'000)	2019/20 (£'000)	2020/21 (£'000)
Control Total Performance			
Audited surplus/(deficit for the period)	(59,140)	(22,172)	(6,717)
Net adjustments to control total basis	1,405	(3,104)	6,881
Adjusted financial performance	(57,735)	(25,276)	164
Taxpayer's Equity			
Public Dividend Capital	129,295	130,690	369,433
Income and expenditure reserve	(178,992)	(200,933)	(207,839)
Total Taxpayer's Equity	(29,333)	(49,064)	177,720

During 2020/21 £211m of Department of Health and Social Care interim revenue and capital loans as at 31 March 2020 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment.

The Trust's arrangements and approach to 2021/22 financial planning

For the first half of 2021/22 the NHS will remain under the same financial arrangements as for the second half of 2020/21. The arrangements will continue to include system funding envelopes. Block payments will remain in place for relationships between CCGs and NHS providers. NHS England and improvement (NHSE/I) have nationally calculated CCG and NHS provider organisational plans as the default positions for systems and organisations to adopt. These then provide a starting point for budget management without the need to complete an extensive planning process.

The Financial Plan adopted annually by the Trust Board reflects the strategic framework set out each year by NHSE/I. The plan reflects the national planning context and its application at a regional level. The plans are developed and agreed as part of the financial governance that are in place for the Humber Coast and Vale Integrated Care System (ICS). Our review of reports confirms that the Finance and Performance Sub-committee is carrying out its role in providing assurance to the Trust Board as to the achievement of the Trust's financial plan, the scrutiny of cost efficiency opportunities and by carrying out deep dives into areas of particular concern.

We reviewed the financial plan submitted by the Trust, which includes assumptions around staffing levels, pay awards and Covid-19 expenditure and is based on block funding based on 2020/21 values adjusted for inflation for the first half of 2021/22. The Trust plans a full year outturn based on a £4.37m deficit, with the 6 month target being a £0.22m deficit. The full year planned outturn takes account of £16.37m expected block/top up support, with the underlying deficit before this support being £20.66m.

We noted, through discussions with management and review of board and committee papers, the Trust plans to deliver £9m of efficiency savings in the year, which represents 2% of operating expenditure. The Trust's Annual Report notes that The Trust delivered Cost Improvement Programme savings of £10.5 million in 2020/21 against a revised (from £13.0m) target of £10.4m, which included £6.3m in recurrent savings. The Trust has in place a project-based approach to savings delivery, with governance and oversight arrangements in respect of planned savings delivery. Savings are subject to a quality impact assessment sign off process undertaken jointly by the Chief Nurse and Medical Director. The financial plan acknowledges though that the 2% target is challenging and that detailed a delivery plan was required, with 2% reductions to directorates' and divisions' expenditure budgets being made in the interim.

VFM arrangements – financial sustainability summary

Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services

The Trust's priorities include its exiting Financial Special Measures. The Annual Report confirms that prior to the impact of COVID-19, the Trust agreed with NHSE/I a challenging plan for financial recovery and was expecting to achieve the first years' target. The Trust met the revised financial targets set by NHSE/I during 2020/21 and is committed to plans across the Humber Coast and Vale ICS to return the organisation being financially sustainable in the medium term.

The Trust has engaged with NHSE/I regarding the current criteria for exiting from Financial Special Measures In 2021/22. These are focused on the Trust and the ICS achieving the first 6 months financial plan, restructuring of the Finance team, delivering the planned CIP savings and developing a robust long term financial plan with emphasis on reducing Covid expenditure and the underlying run rate. The Finance and Performance Committee is expected to oversee progress against the planned actions and provide assurance to the Trust Board

Significant weakness in financial sustainability arrangements

The Trust has complied with relevant financial planning guidance during 2020/21 and has continued to monitor progress against plan to date, which included delivering a financial outturn in line with the 2020/21 system envelope. However, as reported in the Annual Governance Statement, the Trust has been in Financial Special Measures since March 2017 and continues to face significant financial challenges. The Trust agreed a Financial Recovery Plan with NHSE/I, but this has been materially impacted by Covid-19.

The Trust's long term financial sustainability is dependent, amongst other things, on the resolution of long-standing issues in relation to the local configuration of services and workforce, which the focus of the ongoing Humber Acute Services Review and the work with Hull University Teaching Hospitals NHS Trust to complete the Interim Clinical Plan. It is also dependent on the national funding structures yet to be determined. These long-standing issues, alongside the need to respond and adapt to Covid-19, have prevented the Trust from significantly improving arrangements during 2020/21. Overall, therefore, we have concluded that there is an ongoing significant weakness in arrangements to secure financial sustainability as explained on page 15.

VFM arrangements – Governance

Governance: how the trust ensures that it makes informed decisions and properly manages its risks

Governance structure

We have reviewed the Trust's Board and Committee Reports during the year as well as key documents in relation to how the Trust ensures that it makes informed decisions and properly manages its risks.

The Trust has a full suite of governance arrangements in place, supported by the Trust's Constitution and Scheme of delegation. These are set out in the Trust's Annual Report and Annual Governance Statement. We reviewed these documents as part of our audit and confirmed they were consistent with our understanding of the Trust's arrangements in place. This includes arrangements such as registers of interests being maintained and published.

Our review of the Trust's governance framework confirms arrangements are in place, with the Trust Board being accountable for the Trust's strategies, policies and performance. The Trust has established sub-committees with responsibility for specific areas, such as finance and performance, clinical risk and patient safety, including:

- Audit, Risk and Governance Committee;
- Quality and Safety Committee;
- Remuneration and Terms of Service Committee;
- Finance and Performance Committee; and
- Workforce Committee.

The Trust carries out an annual review of the Board and its sub-committees. Each sub-committee completes an annual review of its effectiveness, with the results and any priorities for improvement reported to the Trust Board. We have reviewed these assessments and the matters considered by the Board. We consider the committee structure of the Trust is sufficient to provide assurance that decision making, risk and performance management is subject to appropriate levels of oversight and challenge.

Our review of Board and Committee papers confirms that a template covering report is used for all Board Reports, ensuring the purpose and links to the strategic objectives, priorities and risks (as reflected in the referenced Board Assurance Framework) and recommendations are clear. Minutes are published and reviewed by the Trust Board to evidence the matters discussed, challenge and decisions made.

The Annual Report and Annual Governance Statement set out the steps being taken to respond to matters highlighted by the Care Quality Commission Development in their latest Well Led review, which in 2020 saw an improvement in the rating for this domain from 'Inadequate' to 'Requires Improvement'. There is a Board Development programme in place with a broad framework of further actions being taken to strengthen the Trust's clinical leadership and divisional management and governance arrangements. Progress in relation to these improvement activities has been impacted to some degree during the lockdown period, although the Trust's core governance arrangements during the pandemic have held up well.

The Trust carries out an ongoing programme of work to ensure that its governance procedures are in line with the principles of the NHS Foundation Trust Code of Governance. The Annual Report includes a summary of the Trust Board's assessment of its arrangements against the Code's expectations. The summary is consistent with our understanding of the Trust's arrangements and the Board has reported that it considers that it was fully compliant in 2020/21 with the provisions of the Code.

The Trust Board holds an annual self-certification event to assess and confirm compliance with the requirements of its NHS Provider Licence including the condition relating to governance. This work is supported by Internal Audit review of the assurances in place in support of the required declarations in order to test and validate their validity. Our review of Trust Board minutes confirmed this event took place in May 2021 and the expected confirmations were agreed.

The Annual Report sets out the arrangements in place for the Council of Governors (CoG) to carry out its roles and meet its responsibilities as set out in the Trust Constitution. These include the arrangements for making the Trust accountable for the services it provides The Annual Report acknowledges that at no time during 2020/21 has the CoG exercised its formal power to require a Non-Executive Director to attend a Council meeting and account for the performance of the Trust. The Report states that the CoG is satisfied with its interaction and relationship with the board of directors and that it is appropriate and effective.

VFM arrangements – Governance

Governance: how the trust ensures that it makes informed decisions and properly manages its risks

Board Assurance Framework

The Trust has a comprehensive risk management system in place which is embedded into the governance structure of the organisation. The processes are supported by the Trust-wide Governance and Risk Management Strategy and the Trust leadership plays a key role in implementing and monitoring the risk management process.

The Trust records strategic risks in the Board Assurance Framework (BAF) and our review confirms it is sufficiently detailed to manage the Trust's key risks, identify controls, gaps in controls and obtain the assurance required to work towards a targeted risk score. The Audit, Risk and Governance Committee has the delegated authority on behalf of the Trust Board for ensuring these arrangements are in place and are effective. The BAF and risk register are used to inform the agenda of the Trust Board and Board assurance committees with our review of agendas confirming the relevant risks being aligned to and reviewed by the relevant committees quarterly. The Trust Board also annually reviews the organisation's 'Risk Appetite'. Our review of reports as well as attendance at Audit, Risk and Governance Committee meetings confirms the BAF is regularly updated and in sufficient detail to allow for adequate review including primary risk controls, gaps, plans to improve controls and any additional actions required. Internal Audit carry out an annual review of the BAF and the risk management systems and process which underpin it. Internal audit provided a 'significant assurance' rating on these arrangements for 2020/21. Managers are continuing to review and look for opportunities to further strengthen these arrangements.

Audit, Risk and Governance Committee

The Trust has an established Audit, Risk and Governance Committee that is responsible for establishing and maintaining an effective system of governance and control in a way that supports the organisation's objectives. The Committee's role is to:

- Consider the effectiveness of internal controls and the management arrangements established by the Trust to deliver its stated objectives;
- Seek assurance that the Trust complies with the law, guidance and codes of conduct; and
- Monitor the integrity of the public disclosure statements made by the Trust.

The Audit, Risk and Governance Committee considers the Board Assurance Framework, Annual Report and Annual Governance Statement and progress with internal and external audit plans. It also regularly receives updates on losses and compensation payments, single source tenders and waivers of Standing Financial Instructions.

We have reviewed supporting documents and confirmed the Audit, Risk and Governance Committee meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control. In response to Covid-19, the Trust moved Board and Committee meetings on-line. Our attendance at Audit, Risk and Governance Committee has confirmed there is an appropriate level of effective challenge, with management attendance required at the Committee in relation to any matters identified of significant concern.

Internal Audit and Counter-Fraud

The Trust's Internal Audit is provided by an independent third party who provide Annual Plan, Annual Report and regular progress reports to the Audit, Risk and Governance Committee, which we have read. Internal Audit has free access to Directors and staff and has not reported any concerns regarding its ability to carry out its role effectively. Internal Audit's work is risk based and there is appropriate focus, supported by the Committee, on follow up on implementation of agreed recommendations. The Head of Internal Audit Opinion is reflected in full alongside the published Annual Governance Statement. In respect of the 2020/21 period Internal Audit's opinion was that "Significant assurance can be given that there is a good system of governance, risk management and internal control designed to meet the organisation's objectives and that controls are generally being applied consistently".

The Trust hosts and manages an in-house counter fraud collaborative, known as Counter Fraud Plus (CFP), between itself and four local trusts, This collaborative arrangement is intended to provide a more resilient counter fraud service between the organisations involved. The Audit, Risk and Governance Committee has received regular progress reports on the agreed annual counter fraud plan and provided oversight and challenge as required. We have reviewed the reports provided and they do not highlight any significant concerns in relation to the counter fraud arrangements in place or the matters being reported.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Improving VFM: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Performance management

We have reviewed key reports issued by the Board and confirmed the Trust reports its performance in several different ways:

- an Integrated Performance Report to each Board meeting, with Sub-Committees providing initial scrutiny and challenge to relevant sections; and
- the publication of the Annual Report, and Annual Governance Statement, which are reviewed by the Audit, Risk and Governance Committee before adoption by the Board.
- The annual Quality Report

In March 2020, in response to the Covid-19 pandemic, the Trust enacted its major incident plans and put in place Command and Control systems. This response continued until August when nationally the national Emergency Response Level was reduced to Level 3. This signified the start of the Recovery Phase of the response to Covid-19 pandemic.

Operational performance for the periods from August 2020 where data is available reflects the Recovery Phase where services are being reinstated as part of this Phase 3 Recovery programme. From August, this recovery commenced with ambitions to return to pre-Covid-19 levels of waiting lists, response times and constitutional standards, in line with expectations as set out in Sir Simon Stevens' letter of July 2020.

However, the Covid-19 2nd wave has impacted significantly against the Trusts plans.

We considered the Trust's operational performance for the year by reviewing a selection of Integrated Performance Reports to the Board in the year, including the 2020/21 full year report. In doing so, we recognise the highly unusual circumstances caused by Covid-19 posed challenges across both non-elective and elective pathways.

The Trust has in place a Performance Framework, which outlines the approach to holding Divisions to account for delivery of objectives and improvements including those relating to governance and risk management. This includes monthly Performance Review Improvement meetings for the Clinical Divisions, chaired by the Chief Operating Officer and attended by other Executive Directors. The outcomes of the Performance Review Improvement meetings are presented to the Finance and Performance sub-committee of the Board for oversight.

Our review of Board and Committee reports and minutes confirms that the Trust Board and its Sub-committees have continued to receive regular Integrated Performance Reports covering Performance, Quality & Safety, Workforce, with Finance to be included. Performance is summarised in format which shows performance against target and over time. Board members are also able to triangulate information from this report with the assurance summaries from each Sub-committee, where Committee chairs draw attention to assurances provided or matters escalated for the full Board's attention. Our review confirms the reports provide sufficient detail to understand performance and published minutes demonstrate sufficient challenge from non-executive directors on the Trust's costs, performance and service delivery. Our review also confirms the Board has paid particular focus to the impact of the Covid-19 pandemic on performance and the Board holds managers to account where performance improvements are required.

In the year, the Trust Board agreed developments to the Integrated Performance Report in line with best practice examples, including statistical charts to demonstrate performance. The new report format is also used for Sub-committee reports and divisional performance reports to provide consistency of reporting throughout the Trust. The reports are also structured to reflect the national targets outlined in the NHS Oversight Framework along with the Trust's annual priorities.

As the demands of Wave 2 have diminished, the Trust is now moving into a period of restoration of services and is now guided by national requirements as set out in NHS England's 2021/22 Priorities and Operational Planning Guidance. This guidance, which moves away from a focus on statutory access standards, will have a direct impact on performance.

We have read and reviewed the Trust's Annual Report and Quality Report, which set out its performance against key indicators and how it evaluates and assesses performance and improvement opportunities.

Our review confirms, overall, that the Trust's reports are adequately laid out and sufficiently detailed to monitor performance and take corrective action where required, which may include updating the Board Assurance Framework.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Improving VFM: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Care Quality Commission (CQC)

On 16 March 2020, the CQC announced they would suspend their routine inspection schedule however, they may still inspect if they have patient safety concerns. We reviewed the CQC website and all inspection reports issued during 2020/21, including any service specific reports.

At the end of 2020/21, the Trust's overall quality rating by the CQC was 'Requires Improvement', with the domain scores from the latest published report shown in the table opposite. The inspection was carried out September 2019, with the report published February 2020. Ratings will not change until the next formal inspection by the CQC. We have reviewed the Trust's Annual Report which sets out the steps being taken to continue to engage with the CQC, including monthly relationship meetings and the escalation of risks and concerns in respect of patient safety or quality if required.

The rating of 'Inadequate' in the 'Safe' domain was attributed to to ongoing waiting list backlogs in some specialties, the backlog in diagnostic reporting, concerns in relation to end of life care and specific issues in the Trust's two emergency departments. The Annual Report confirms that the Trust remains in quality 'special measures' and continues to benefit from the support package put in place by NHSE/I. Detailed Divisional improvement plans are in place in response to all CQC findings with oversight and reporting arrangements including monthly report on progress to Performance Review and Improvement Meetings, the relevant Trust Board Sub-committees and the Trust Board. The Trust's Quality Board is in place to with relevant stakeholders supporting the Trust in the delivery of its improvement plan, and providing oversight of delivery of the required improvements. We reviewed Trust Board and Sub-committee Reports and confirmed that the Trust Board receives regular updates on performance through the Integrated Performance Report. The Report is sufficiently laid out to enable scrutiny on performance against targets and performance trends as well as consider and challenge the actions to recover performance. We also reviewed the Board Assurance Framework, which adequately links the identified risks to matters in response to relevant CQC findings and through to controls, sources of assurance and planned actions.

We reviewed the 2020/21 Annual Report, which explains the steps being taken to deliver improvement and to address and exit Special Measures. We also reviewed Trust Board and Sub-committee reports, where the Quality and Safety Sub-committee provides regular reporting up to the Trust Board on its monitoring of the progress being made on the CQC improvement plans and any matters for escalation for the Board's response. Our review confirms the Trust's arrangements are in line with those expected for the sector. We reviewed the June 2021 Trust Board Report summarising performance against the 2020/21 priorities which shows the priority of 'achieve the must do actions identified in the CQC report' as being 'substantially achieved', with Covid impacting on, amongst other things, performance trajectories and engagement with staff on quality priorities.

We recognise the impact of Covid-19 during the year, but the Trust has remained in financial and quality special measures throughout 2020/21 and to the date of this report. We are unable to confirm that the Trust has made sufficient progress for the ratings to be changed and the judgement on the effectiveness of arrangements is subject to any future inspection findings from the CQC.

Theme	Rating
Northern Lincolnshire and Goole NHS Foundation Trust (Report Issued February 2020)	
Overall rating	Requires improvement
Are services safe?	Inadequate
Are services effective?	Requires Improvement?
Are services caring?	Good
Are services responsive?	Requires Improvement
Are services well-led?	Requires improvement
Use of resources	Requires improvement

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Improving VFM: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Single oversight framework (SOF)

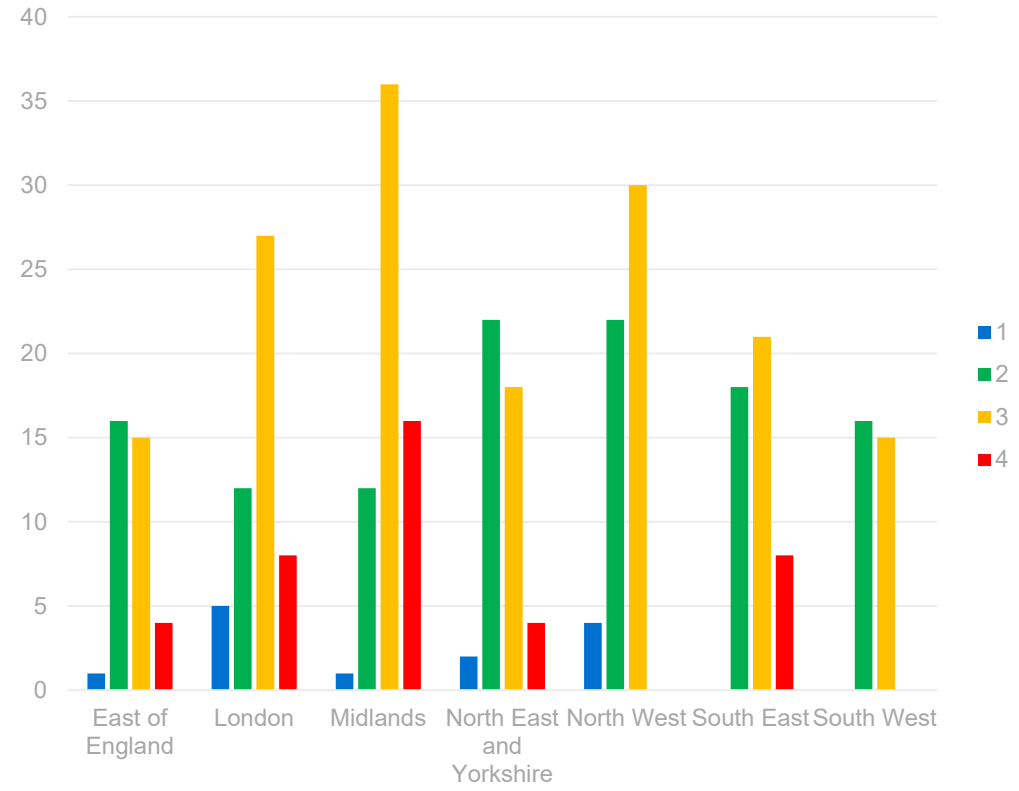
Under the SOF, which is designed to help NHS providers attain, and maintain, CQC ratings of 'Good' or 'Outstanding', NHSE/I now segment providers based on the level of support each provider needs. Each trust is segmented into one of the following four categories:

Segment	Description
1	Providers with maximum autonomy: no potential support needs identified. Lowest level of oversight; segmentation decisions taken quarterly in the absence of any significant deterioration in performance.
2	Providers offered targeted support: there are concerns in relation to one or more of the themes. We've identified targeted support that the provider can access to address these concerns, but which they are not obliged to take up. For some providers in segment 2, more evidence may need to be gathered to identify appropriate support.
3	Providers receiving mandated support for significant concerns: there is actual or suspected breach of licence, and a Regional Support Group has agreed to seek formal undertakings from the provider or the Provider Regulation Committee has agreed to impose regulatory requirements.
4	Providers in special measures: there is actual or suspected breach of licence with very serious and/or complex issues. The Provider Regulation Committee has agreed it meets the criteria to go into special measures.

We reviewed the Trust's public score, which for 2020/21 is 4, defined as: Providers in special measures: there is actual or suspected breach of licence with very serious and/or complex issues. The public score is changed only once providers have been informed by their regional lead and there is a move between segments.

The chart opposite sets out the Trust's relative position on the SOF against all acute providers in England and the Trust's current SOF rating is an indicator of inadequate arrangements.

Acute Sector SOF Segmentation



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Improving VFM: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Partnership working

The Trust's strategic objectives include 'to work more collaboratively', recognising the importance of working with others to provide effective and sustainable services and meet patients' needs. Our review of board minutes and discussions with management confirms the Trust is committed to partnership working and there are examples of significant partnerships in place.

The Trust works in close partnership with other Health and Social Care organisations in the area, through its participation in the Humber Coast and Vale (HCV) Health and Care Partnership. The Trust's priorities include playing an active role in the Partnership and its programmes and the June 2020/21 Trust Board report on performance against priorities 2020/21 records this priority as being 'very substantially achieved'. Due to the revised financial arrangements in place in 2020/21, the Trust has had to work closely with partner organisations across the Partnership to deliver a financial position within the allocated system envelope. Key priorities for the Trust in securing sustainability for the Trust and local services are successfully progressing the Humber Acute Services Review and its work with Hull University Teaching Hospitals NHS Trust to complete the Interim Clinical Plan to support strategy development and capital investment across both organisations. The Trust reports a number of positive developments in the governance, programme management and progress against milestones in these challenging areas.

Procurement

We read the Trust's Standing Financial Instructions and confirm these adequately set out the procedures, controls and the authorisation sign offs that are required for the commission or procurement of services. In 2020/21, to assist the management of the Trust's response to Covid-19, supported by the Cabinet Office's Procurement Policy Note (PPN 02/20) issued in March 2020, the Trust introduced specific instructions and requirements. There is a professional procurement team in place with a specification process used to ensure that the selected option and supplier gives best value for money. Legally compliant Framework Agreements are used where appropriate and there are instructions in place regarding the levels for delegated approval of expenditure. The Trust has policies in place regarding expected standards of business conduct, and gifts and hospitality, to mitigate the risk of conflicts of interests arising. Our review of Board and Committee minutes confirms these are published on a regular basis. Our attendance at the Audit, Risk and Governance Committee confirms it receives regular reports on any waiving of Standing Orders and Losses and Compensation, and specific reports on the level of Non-Purchase Order activity and progress in establishing a central Contract Register and the work of the Strategic Procurement Team. The Committee's reviews provide assurance to the Trust Board that the Trust is working in accordance with relevant legislation, professional standards and internal policies. Sufficient information is provided to enable an adequate level of review and we have observed an appropriate level of challenge from Committee members through the year.

Significant weakness in arrangements to improve economy, efficiency and effectiveness

Notwithstanding the above, as highlighted on page 14, we have identified significant weaknesses in arrangements against the Improving Economy, Efficiency and Effectiveness reporting criteria as a result of the Trust continuing to be under CQC special measures.

04

Section 04:

Other reporting responsibilities

This section of the report summarises the outcome of our other reporting responsibilities as the Trust's auditor

Other reporting responsibilities

Matters we report by exception

The NHS Act 2006 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest; and
- make a referral to the regulator.

We have not exercised any of these statutory reporting powers.

We are also required to report if, in our opinion, the governance statement does not comply with relevant guidance or is inconsistent with our knowledge and understanding of the Trust. We did not identify any matters to report in this regard.

Reporting to the National Audit Office in respect of consolidation data

The NAO, as group auditor, requires us to report to them whether consolidation data that the Trust has submitted is consistent with the audited financial statements. We have concluded and reported that the consolidation data is consistent with the audited financial statements.

Mark Surridge

Mazars
2 Chamberlain Square
Birmingham
B3 3AX

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

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Northern Lincolnshire and Goole NHS Foundation Trust

ANNUAL MEMBERS' MEETING

Annual Report 2020/21 and progress in 2021/22

Monday 13 September 2021

Kindness • Courage • Respect

COVID-19 dominated the year

- Figures for 20/21:

Number of COVID-19 positive patients treated and discharged	1,413
Number of COVID-19 positive patients who died	365
Total number of COVID-19 positive patients treated in intensive care	78

- Impact on other services:
  - Increased waiting lists
  - Increase in waiting times in Emergency Departments
- Huge changes across the organisation – operational, physical and staffing
- Where we are now:
  - Patient numbers stable
  - Some visiting available and have Family Liaison roles in place
  - Continuing to reduce the number of patients waiting more than 52 weeks
  - New pathways for patients in place e.g. virtual consultations

A few headlines from the past year I

- New executive directors – full team now in place
- Number of supporting strategies in place
- Significant progress with Humber Acute Services, including submission for new investment last week
- Delivered 20/21 financial plan
- National recognition – shortlisted for HSJ awards and we are now a centre of excellence for endometriosis
- Our Summary Hospital-level Mortality Indicator (SHMI) remains ‘as expected’ and has shown statistically significant improvement

A few headlines from the past year II

- Continued work on the CQC action plan
- Implemented electronic prescribing and digital letters for patients
- Largest ever (£130m) capital programme progressed:
  - Emergency department builds at DPoW and SGH progressing well
  - Progressed Acute Assessment Units (AAUs) at both DPoW and SGH
  - Opened new CT and MRI Suites at Grimsby
  - Second MRI at Scunthorpe in progress
  - Upgrading fire and water safety systems at all three hospitals
  - Secured c£40m for Decarbonisation works
  - £5m for digital upgrades

Staffing

- The last year has taken a toll – tired and stressed
- Put in lots of support and we continue to monitor
- Progress with recruitment and retention:
  - Halved the vacancy rate for doctors over the last four years – from 25.66% in August 2017 to 11.31% currently
  - Improvement in ‘fill rate’ for trainees – in August 2017 this was 68.80% and has been increasing steadily year on year to 91.12% in August 2020, however the fill rate for August 2021 reduced to 80.10% as impacted by COVID-19 and overseas travel
  - Recruitment of 96 (excluding trainees) or 294 (including trainees) doctors and 131 registered nurses between September 2020 and September 2021
  - Recruitment of 20 radiographers between September 2020 and September 2021
  - 73 newly qualified nurses from Hull and Lincoln universities starting Autumn 2021, at their highest levels ever.

Trust priorities for the rest of 2021/22

- Look after our staff
- Winter
- CQC inspection
- Waiting lists
- Service and capital investment progress:
  - HAS – PCBC development and approval
  - Capital – EOI next stage and deliver current capital programme
- ICS and place development
- Finances

Financial Performance Review 2020-21

Kindness • Courage • Respect

Independent auditor's report to the Council of Governors of Northern Lincolnshire and Goole NHS Foundation Trust

"In our opinion the financial statements:
• give a true and fair view of the financial position of the Trust and Group as at 31 March 2021 and of the Trust's income and expenditure for the year then ended;
• have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21; and
• have been properly prepared in accordance with the requirements of the National Health Service Act 2006."

- **Basis for Opinion**

- "…..We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion."

- **Going Concern**

- "….. We have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's or the Group's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue."

The Trust achieved its control total in 2020/21:

	£'000s
Deficit as per accounts	(6,906)
Remove Impairments	10,211
Remove grants and Donation impact	(2,769)
COVID-19 Inventories	(372)
Adjusted Financial Position	**164**
Control Total	(4,595)
Improvement on control total	4,759

Financial Regime 2020/21
Initial Planning and Contracting Guidance abandoned

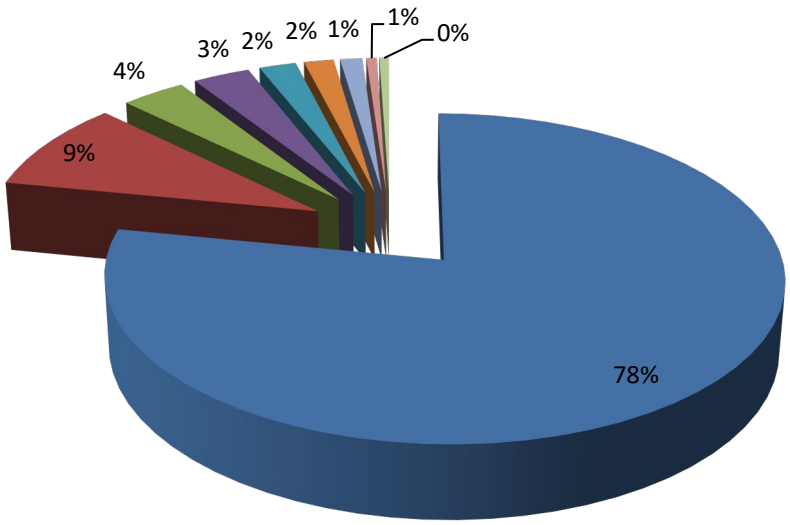
Revised regime - a game of 2 halves:

First Half – Block Funding, with central retrospective monthly top-ups to ensure break-even position, to cover Covid-19 costs etc

Second Half – Block Funding, fixed envelope for Covid costs within Block payment, pass through funding for NHSE high cost drugs, Covid testing and Covid vaccination programme funded separately outside block arrangements.

Where our money came from

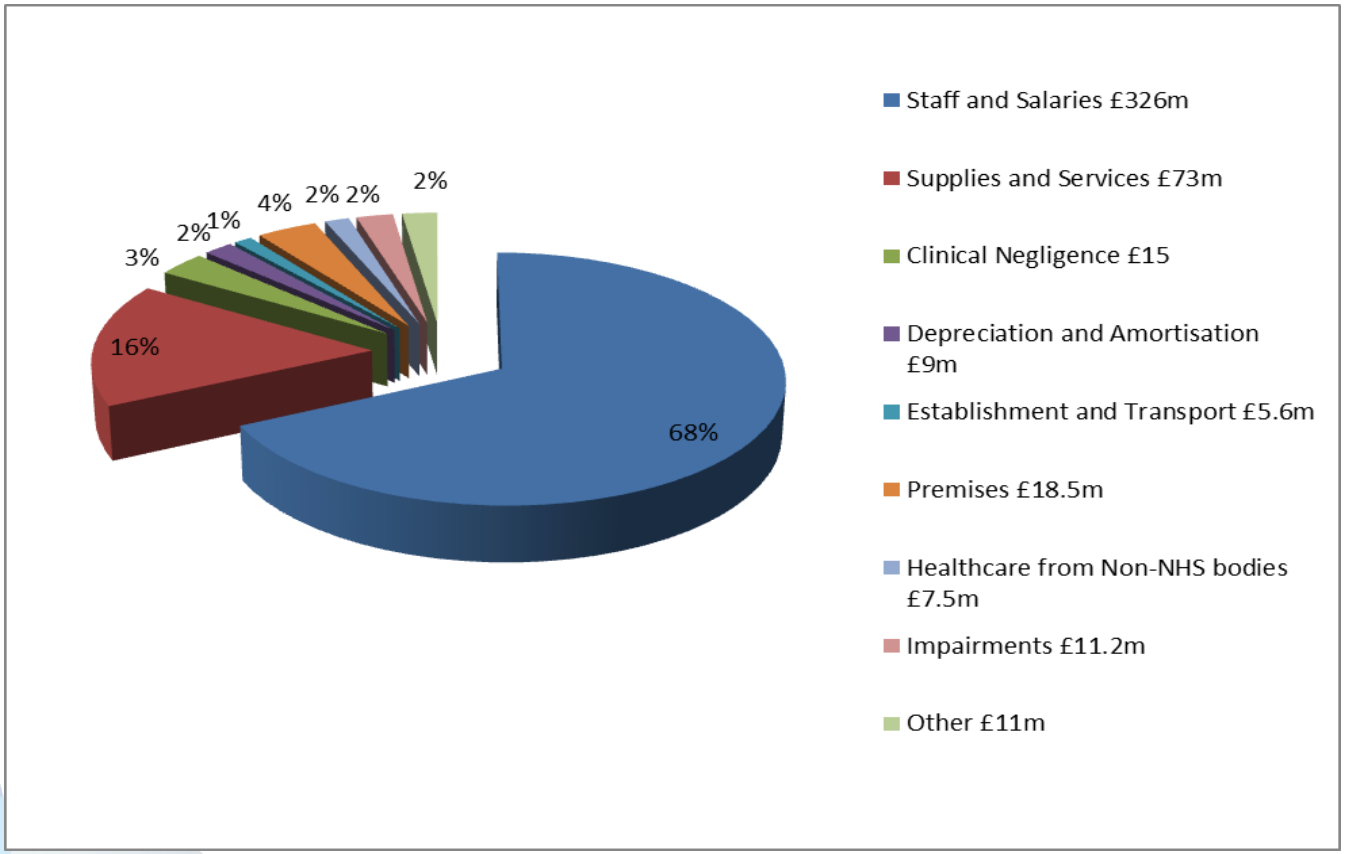
Our operating income in 2020/21 was £477m, as shown below:



- CCG Block Income - £372.8m
- NHS England - £43.7m
- Provider to Provider Income - £17.1m
- Education Training & Research - £15.1m
- Donations/Grants - £9.8m
- COVID Funding - £7.9m
- Top Up Funding Months 1-6 - £5.8m
- Other - £2.8m
- Income Generation - Car Parking, Accomodation - £2.5m

How we spent our money

Our operating expenditure in 2020/21 was £481m, as shown below:

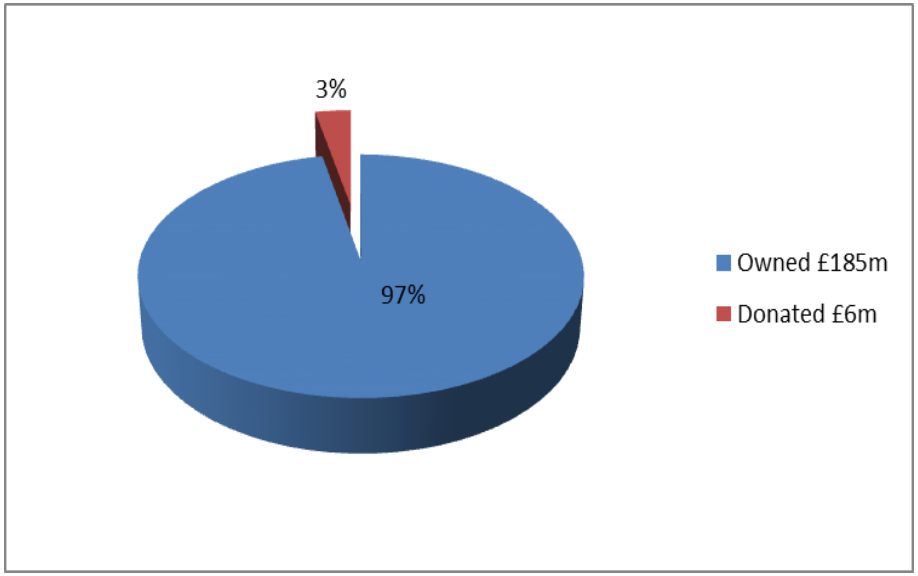


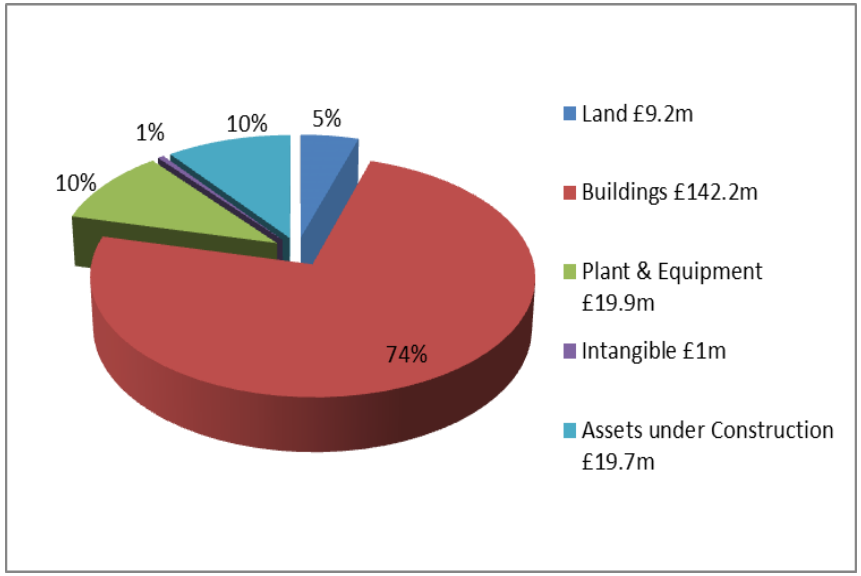
What we spent dealing with COVID-19

Expenditure Category	Year-to-date 20-21		
	Pay (£k)	Non-pay (£k)	Total (£k)
Expand NHS Workforce - Medical / Nursing / AHPs / Healthcare Scientists / Other	4,571	10	4,581
Existing workforce additional shifts	7,159	0	7,159
Backfill for higher sickness absence	2,277	0	2,277
NHS Staff Accommodation - if bought outside of national process	0	6	6
PPE - locally procured	0	200	200
Other COVID-19 virus / antibody (serology) testing (not included elsewhere)	349	331	680
Lateral Flow Antigen Testing	9	0	9
COVID-19 virus testing - Rapid Testing – locally procured devices post 1 Sept 2020	0	7	7
PPE - other associated costs	0	2	2
Increase ITU capacity (incl Increase hospital assisted respiratory support capacity, particularly mechanical ventilation)	0	755	755
Remote management of patients	0	9	9
Segregation of patient pathways	0	628	628
Decontamination	0	346	346
After care and support costs (community, mental health, primary care)	0	312	312
Infection prevention and control training (community, mental health, primary care)	0	2	2
Remote working for non patient activities	0	456	456
Internal and external communication costs	0	50	50
Direct Provision of Isolation Pod	0	118	118
Other	0	1,883	1,883
COVID-19 virus testing - rt-PCR virus testing	8	31	39
COVID-19 virus testing - Rapid / point of care testing (for DHSC provided Samba2, DNA Nudge, Primer Design, LumiraDx and Abbott ID NOW)	0	241	241
COVID-19 - Vaccination Programme - Provider/ Hospital hubs	99	14	113
COVID-19 - Deployment of final year student nurses	141	0	141
COVID-19 Nightingale Harrogate Setup Cost Total (Gross)	1	0	1
COVID-19 Nightingale Harrogate Running Cost Total (Gross)	32	2	34
Total COVID-19 Expenditure	14,647	5,402	20,049
Total Trust Operating Expenditure (including COVID-19 expenditure and all other operating expenditure)	306,685	126,722	433,408
COVID-19 % of Total Trust Operating Expenditure	4.8%	4.3%	4.6%

Trust asset base

The value of the Trust's fixed assets at 31 March 2021 was £192m, as shown below.





The buildings valuation was based on a desk-top valuation. There is no declared uncertainty in the valuation this year (as was the case last year due to the uncertainty in the market as a result of the start of the pandemic).

Investment in infrastructure

Largest Capital Programme yet in 2020/21

	£m
DPoW MRI	8.0
DPoW CT	1.9
SGH MRI	0.5
COVID-19 Support	2.1
SGH Ward Refurbishment	0.5
Critical Infrastructure	3.5
Critical Care	1.4
Emergency Departments	8.2
AAU's	0.3
Infection Control	1.0
Other	0.7
Backlog Maintenance	2.1
IM&T	4.1
Equipment	1.3
Donated Equipment	2.9
Donated Buildings	0.3
Total Capital Investment	**38.8**

Trust borrowing

Towards the end of 2019/20 , the Government announced a change to NHS Trust borrowing in terms of loan funding.

From 2020/21 all Revenue & Interim Capital loans were written off and replaced with PDC Funding.

This reduced the liabilities on the Trusts Balance Sheet and reduced interest payments. However the interest payments were replaced with PDC Dividend payments.

The value of loans that were written off for the Trust is shown below:

Revenue Loans	£199.9m
Interim Capital Loans	£10.7m

This has resulted in a reduction in the annual interest charged of £7.3m and an increase in PDC dividend of £3.2m.

The remaining Capital Loans £10.9m at March 21 will continue to be repaid as per original agreements.

Balance sheet strength

In overall terms the strength of the Trusts Balance Sheet has improved this year.

i. Non Current Assets increased by £13m – mainly from the impact of extensive capital programme.
ii. Cash and cash equivalents have increased from £20.6m to £54.4m
iii. Borrowings within current liabilities (payable within a year) have reduced by £212.3m which is mainly due to reflect the change in debt regime from 2020/21 as highlighted on the earlier slide.
iv. Performance against the Public Sector Payment Policy improved from 41% to almost 93% for our Non NHS Suppliers and from 67.6% to 98.3% from NHS Suppliers.

Looking ahead: underlying financial position

- Underlying recurrent deficit assessed at March 2020 (pre-COVID) circa £15m (including Financial Recovery Funding of £46m).

- Pre-COVID, the Trust's long term plan saw the elimination of the underlying deficit by 2022/23. Post COVID-19 the planning horizon is not so clear as the financial framework beyond 30th September 2021 is still to be confirmed.

- Initial estimates suggest that this position has deteriorated by £8m.This increase is due to:
    - recurrent investments required as a result of CQC recommendations
    - revenue consequences of the capital programme
    - Clinical Negligence premiums
    - Reduced income opportunities from NCAs, Car parking
    - Non Recurrent Savings Delivery

Key financial risks

The recurrent nature of our cost base and our inability to securely forecast income to cover that cost base, giving rise to an underlying SOCI deficit is the single biggest financial risk facing the Trust. Within that there are three particular pressures worth highlighting:

- Workforce Sustainability – Despite some successful recruitment programmes, the Trust continues to have a heavy reliance on temporary staffing. This remains a constant challenge and is key to continued delivery of service

- Impact of Covid-19 in terms of operational capacity. The pandemic has had, and will continue to have, a profound impact on operational productivity. The Trust now has larger waiting lists and patients are waiting significantly longer for elective care. Recovery of this position is a key challenge for the Trust, and the wider Humber Coast & Vale ICS

- The Trust continues to provide services from ageing estate with significant backlog maintenance challenges.

NHS
Northern Lincolnshire and Goole
NHS Foundation Trust

Questions

Kindness • Courage • Respect

Humber Acute Services: Update

Delivering transformation in our Core Services and our potential future capital investment

Claire Hansen

Session Overview

1	Programme Overview
2	What we have heard from the public, patients and staff
3	Our Plan for the Next Six Months

HASR: A complex programme of three parts

Stabilise services (1-2yrs)

Redesign core hospital services (2-5yrs)

Redevelop and rebuild our hospitals (5-10+yrs)

Both Programme 2 and 3 provide us with a significant opportunity to design sustainable clinical services for the future

Programme 1:

INTERIM CLINICAL PLAN

Keeping services safe in the here and now

10 service areas

- Keeping services safe
- Local wherever possible
- Tackling long waiting lists and other impacts of Covid
- Single Humber-wide services

Programme 2:

CORE HOSPITAL SERVICES

Designing a future model for hospital care

- Urgent & Emergency Care
- Maternity, Neonatal Care & Paediatrics
- Planned Care & Diagnostics

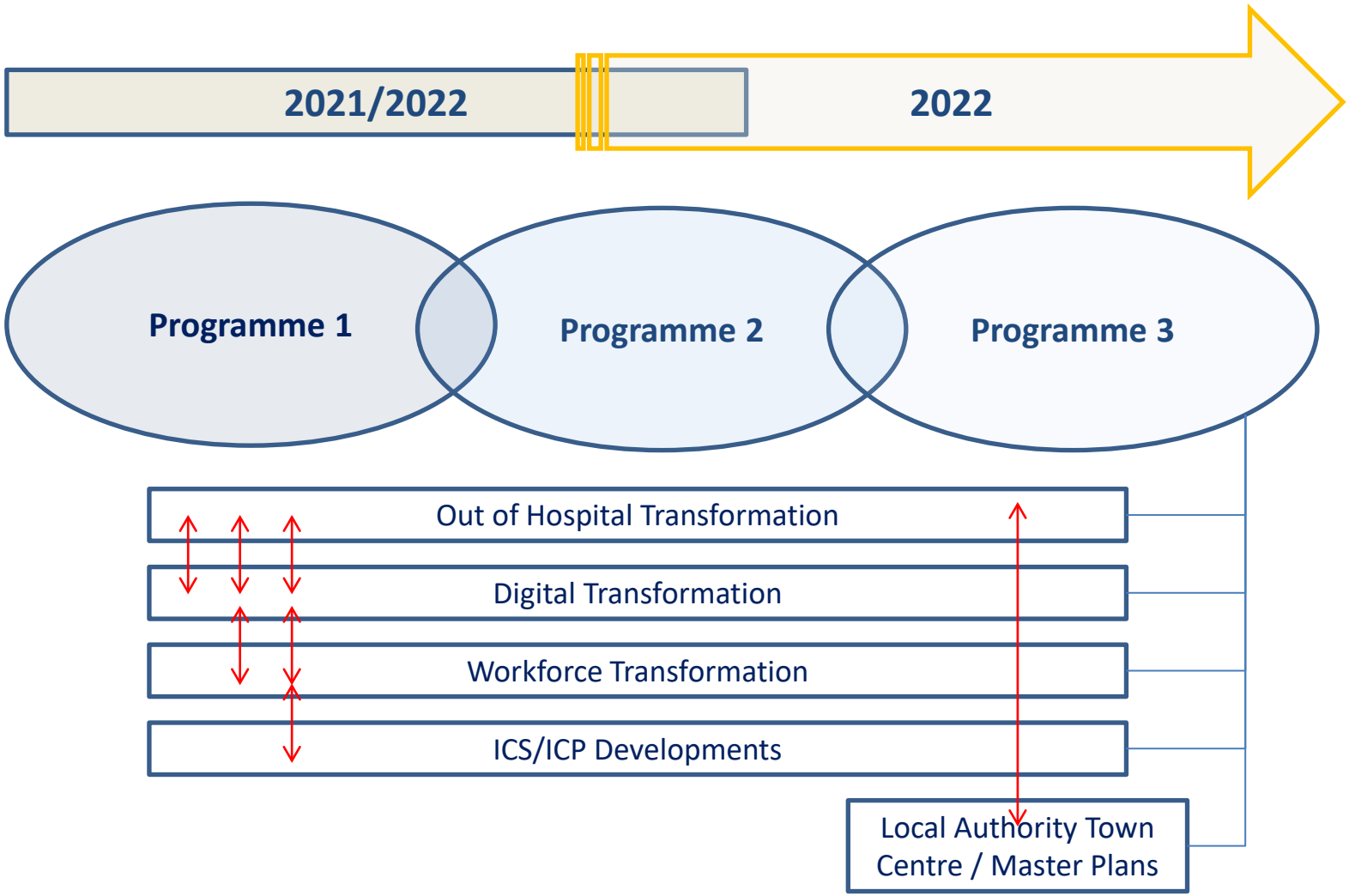
Programme 3:

BUILDING BETTER PLACES

Building the hospitals of the future

- A chance to do things differently and better
- Creating new jobs for local people

As we have progressed our discussions have highlighted a number of areas to consider as we develop our options for the future…

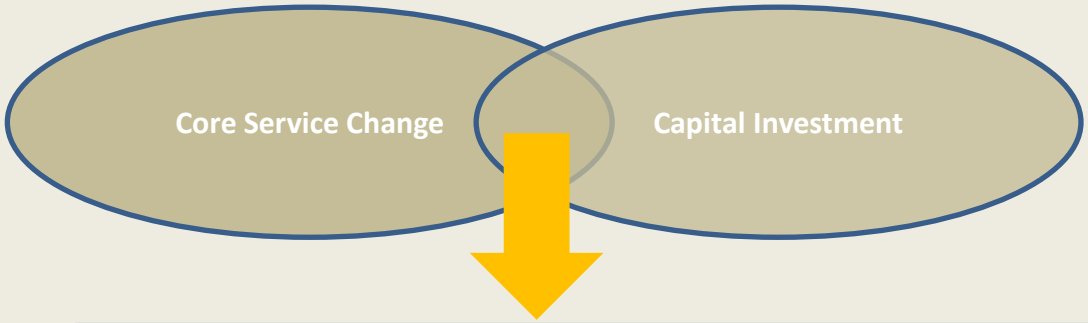


We have a fantastic opportunity through our PCBC and SOC to gain future investment in our services: we will be one of the first systems to follow this approach

- New guidance re PCBC and SOC likely to stress that the Strategic, Economic and Management Case must align

"The PCBC will not be approved without capital and the capital will not be approved without clinical transformation …"

Amanda Pritchard NHSE/I and Richard Barker NHSE/I



- Strategic, economic and management case
- Assumptions: Financial and non financial
- Affordability
- Sustainability – organisational and financial
- Deliverability – timescales, investment, capacity, capability

- The Gateway 2 Process will use a new set of KLOE's to ensure alignment of both the PCBC and the SOC

We have undertaken a comprehensive process of engagement so far and will build on this

Clinical Design Workshops (Nov 2020 to date)	Over 700 attendees to date
What Matters to You: Public (April-May 2021)	3883 responses to first survey
What Matters to You: Staff (July 2021)	563 responses to first survey
Your Birthing Choices (MVPs) (June-July 2021)	1133 responses to survey
A&E Survey (July-August 2020)	2008 responses to survey
Wider Engagement Events	Staff, Unions, Rep Bodies, VCSE, Governing Bodies, Boards
Independent Clinical Expert Reviews	UEC, independent midwife,
OSC	Quarterly Reporting
NHSE/I	Monthly Assurance

Our engagement has been recognised as an example of good practice but there is always more that we can do

What Matters to You – summary findings

I am seen and treated as quickly as possible

I am kept safe and well looked after

There are enough staff with the right skills and experience

Things go well for me and I am satisfied with my care

Everyone can access care, especially those most in need

I know services will be there when I need them

I am able to get there

Good quality buildings and the latest equipment

Services are good value for money

The feedback from the WMTY surveys will form the basis of the evaluation framework that will be used to assess the potential options

3883 survey responses

63 focus group participants

What Matters to You: our staff and teams – summary findings

563 survey responses

What is the one thing that, through the HAS Programme, we must absolutely get right for you?

Respondents were asked to identify their top priority or one thing we must get right for them through the Humber Acute Services Programme.

"Staffing levels must be looked at and patient safety addressed"

"A realistic workload"

"Making staff feel valued and appreciated, ..."

"to be asked and not be told you are going to work elsewhere"

"Honest conversations"

Your Birthing Choices – summary findings

1133 survey responses **756** from Humber area

HOME

- **62.9%** of respondents living within the Humber **would not choose** to give birth at **home** due to **concerns around safety** should any complications arise during labour

STANDALONE MLU

- **53.2%** of respondents **would choose** to give birth at a **standalone midwifery-led** unit as they feel it is **a more homely environment** and have **confidence in the care provided by midwives**.
- **46.8%** of respondents **would not choose** to give birth in a **standalone midwifery-led** unit due to **concerns around safety** should complications arise during labour resulting in the need to be transferred to a hospital, many feel the delay in receiving specialist care is a **risk** not worth taking.

ALONGSIDE MLU

- **83.8%** of respondents **would choose** to give birth at an **alongside midwifery-led unit** as it feels a **much safer option** as additional support is close by if needed.

Respondents were asked to rank their preferred locations in order of preference:

1. Alongside Midwifery-led Unit
2. Hospital Maternity Unit
3. Standalone Midwifery-led Unit
4. Home birth

The next six months are critical as we develop our proposals for core service change and capital investment

Principles

- Options will be co-produced
- Options will be evidence based

Key Issues

PCBC

- Publish PCBC in January
- Prior to consultation will require:
  - CCG Approve
  - Trust Board discussion
  - Clinical Senate Review
  - NHSE/I Gateway2 Review
- OSC engagement Sept/Oct and Dec
- Senate and GIRFT engagement continuous
- Align USPs to Pre SOC Capital

Consultation

- Con Docs and Process to be prepared pre Jan 2022
- Sign Off Process same as PCBC
- Consultation will be 12 weeks – cannot be undertaken Pre Purdah – needs to be launched May 2022