Northern Lincolnshire and Goole
NHS Foundation Trust

Annual Report and Accounts

2020/21

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

Contents

Chair's Foreword

Thank you for taking the time to read our Annual Report and Accounts for 2020/21.

The 2020/21 financial year was my first full year as Chair of the Trust and it was certainly a challenging one. As you will know the Trust, alongside the rest of the NHS and healthcare systems across the globe faced unprecedented challenges to protect and treat our populations arising from the COVID-19 pandemic. I want to start by thanking every single member of staff at the Trust for how they mobilised to respond to the challenges the pandemic posed. Their courage, commitment and incredible effort was – and continues to be – magnificent and very humbling.

I have seen professionalism and dedication of the highest order. Some staff were themselves impacted by the pandemic directly and caught the virus. Others experienced the bereavement of family members and, very sadly, the Trust also lost a staff member to the virus. I send my deepest and sincerest condolences to their family and friends and to all my colleagues at the Trust who lost someone close to them because of COVID-19.

I also want to sincerely thank patients and their families and members of the public for the considerable efforts they made in very difficult times where so much was sacrificed to protect themselves and others. It was a remarkable effort and again so humbling to see how well people responded.

For those of you reading who do not know how the Trust is run my role is to Chair the Trust Board which is responsible for governing the day-to-day running of the organisation, with a principal responsibility for ensuring that care in their organisation is safe and that those who use our services are treated as individuals, with dignity and compassion. Therefore the Chair seeks to make sure, with colleagues on the Trust Board, that the Trust is governed effectively.

We do this in three main ways:

1. By formulating strategy, establishing the long-term goals of the Trust;
2. By holding executive colleagues to account for the delivery of services and plans, overseeing that the Trust is meeting its targets and legal requirements and, if not, ensuring plans are in place to improve; and
3. By shaping the Trust's culture and ensuring our values and behaviours are observed at all levels throughout the Trust.

We are therefore committed to demonstrably living the values and behaviours so that the right tone is set by the Board. The make-up of the Board and how it runs is set out in Chapter Two of this report, and this includes details on how we changed some of our normal governance arrangements at the height of the pandemic.

Unsurprisingly the main focus of this report is the response to COVID-19 as that dominated the year. However the Trust did continue work in many other areas. The most eye-catching one for anyone who has visited one of our hospitals recently is the on-going work to improve our estate.

During 2020/21 we started to plan or build a number of new additions to our hospitals. These include a new MRI suite at Grimsby and new emergency departments at both Grimsby and Scunthorpe. In the coming year more work will be taking place at all three hospitals as we maximise the investment of around £130 million we have secured in the last few years. We are also investing in new digital infrastructure to ensure we can deliver services more innovatively. There is more detail about all of this work in Chapter One.

We have also made really good progress - working particularly with Hull University Teaching Hospitals NHS Trust, a Trust which I also have the privilege of chairing, and our local Clinical Commissioning Groups – on future plans for hospital services across the Humber region. This work is being developed and designed through the Humber Acute Services programme. We are working together because we want to find ways to provide the best possible hospital services for people across the Humber region and make the best use of our people, money, buildings and equipment.

Both trusts are facing significant challenges to a greater or lesser extent including clinical vacancies, achieving required staffing levels in some services and providing 24 / 7 cover across all specialties at all our sites. This review is part of a wider programme of work to improve the health and wellbeing of local people in the Humber area and beyond. You can expect to see and hear much more about our plans throughout 2021/22 and in our next Annual Report.

Each and every member of staff plays an integral role in the smooth running of a very large and very complex NHS Trust. This was especially the case this year when everyone stepped up and went above and beyond to deliver services – both those for patients, those in our hospitals and also those we serve across the North Lincolnshire community, and also in our support functions – in extreme circumstances, particularly in the first few months of the year when very little was known or understood about the coronavirus. Whether they are involved in the delivery of care directly to patients or not, the Trust couldn’t have risen to the challenge it faced without them. Thanks again to all of those colleagues too.

Thanks also to our team of Governors and our partners for their invaluable input, advice and challenge throughout the year. One thing is clear from the pandemic: the NHS is at its best when it collaborates and everyone involved in delivering services is focused on a single goal. The task of healthcare leaders in the coming years is to build on this way of working to ensure we can provide the best possible services for our local communities.

I can assure you the Trust will play its part in making sure this collaborative effort continues in the future.

I hope you find this Annual Report informative and that it gives you an honest and transparent assessment of the Trust's performance and challenges in what was the most difficult and challenging year my colleagues and I can recall.

Thank you again for your interest in our Trust.

Signature:

Chair: Terry Moran CB
Date: 11 June 2021

The Performance Report

Chief Executive's performance statement

As you will already be aware this year has been the most challenging the NHS has ever faced. In my long career in the health service I have never seen the levels of anxiety and stress which our staff have faced during the coronavirus pandemic, particularly in the first few months when we didn't really know what we were faced with. Our staff responded magnificently to the challenges put in front of them. Their care and compassion were second to none. To come to work day in and day out – particularly for those staff needing to put on and take off many layers of Personal Protective Equipment (PPE) because of the patients they were caring for – showed extraordinary levels of courage and commitment.

Throughout the pandemic I tried to thank them as much as I could as regularly as I could. However, despite the many times I have said it, and despite however many times they have heard it, it will never be enough. They deserve enormous credit for what they have done – and continue to do – to keep our hospitals running. Of course, much of the media focus – locally and nationally – has been on doctors and nurses. That is entirely right given their proximity to providing the care our patients needed. They can only do their job, though, if all our other teams are doing their job too.

Teams like cleaners and porters, procurement staff and engineers, cooks, physiotherapists, lab staff, accountants, and administrative staff, amongst numerous others, all played their part in keeping our hospitals running through the pandemic. I have said it before, but I mean it: it is humbling being their Chief Executive and a real privilege. Thank you once again to them all.

COVID-19

I think the speed of the coronavirus outbreak showed better than anything else how quickly things can change in healthcare. At the beginning of 2020 we started to think about our priorities as a Trust for the forthcoming financial year, something we do at the start of every calendar year. At that time the coronavirus was just starting to be talked about in the media. Just a few weeks later the first cases of COVID-19 in the United Kingdom were identified across the River Humber from us in Hull. By the end of March 2020, just before the new financial year started on April 1, the country was in a full lockdown and the Trust had admitted its first patients who had tested positive for COVID-19.

As a Trust we needed to prepare for this rapidly changing situation in those first three months of 2020. This process of changing and responding to new guidance has not really stopped since then. Some of the issues and challenges we faced, and how we responded to them, are set out later in this chapter. You will see from this detail we did have a few periods when our numbers of COVID-19 positive patients were low compared to other times of the year: most notably over summer 2020 and then as we headed towards spring 2021 and the end of the financial year.

Unfortunately, and very sadly, the Trust experienced many deaths of patients as a result of COVID-19, more than 450 in total at the time of writing. My condolences go to the families and friends of every single one of those patients. Each death is significant and profoundly sad, of course, although one in particular hit many of us very hard indeed when we suffered the loss of a valued colleague (whose family has chosen to keep the details private). I would like to take this opportunity to put on record my condolences, on behalf of the whole Trust, to that colleague's family and friends.

Impact of COVID-19 on staff

With staff facing such unprecedented times we cannot underestimate what impact this has had, and will continue to have, on their health and wellbeing, particularly their mental health. Our staff have been affected, like everyone up and down the country, by COVID-19 themselves – our staff who are parents have had to look after children during lockdown and those who are self-isolating, some were told to shield and others have had the disease themselves or had to self-isolate if a household member tested positive.

The Trust started the year with vacancies in both nursing and doctors, although in a better position than recent years, and COVID-19 related absences made the situation worse and put more pressure on those staff who would come into work. We had already identified staff health and wellbeing as a priority for 2020/21 so in many ways we were ahead of the game and had some support already planned. During the course of the year we added to this support to put together a comprehensive package of help.

This included: a new Employee Advice Platform (EAP) support providing 24/7 counselling and self-help guides on numerous topics to help staff and their families; the creation of 'wobble rooms' for staff to take time away from their usual work area and have some quiet time; virtual counselling sessions for face-to-face support; and group counselling sessions were arranged following on from traumatic events, such as deaths.

This issue will continue to be a top priority for the Trust, as it will for the NHS nationally, in the next year and beyond. At this point I would like to thank our local communities who did so much to support our staff during the pandemic – from joining the weekly claps on a Thursday evening to donating food and other goods totalling more than £133,000. On behalf of all our staff I would like to thank everyone for their generosity and offers of help, each and every one was really appreciated as we went through those difficult months.

Much of this activity was overseen by our colleagues in the Health Tree Foundation (HTF), the Trust's charity, who made every effort to send individual thanks to each person and business who helped us. You can read more about the work of HTF towards the end of this chapter.

Urgent and emergency care

As well as the impact on staff the pandemic had other consequences for us. Perhaps the biggest, and the one which had the most impact on patients, was reducing the number of beds we had available to take into account new guidance related to infection prevention and control, particularly social distancing. Every hospital will have done this to some extent although the impact for us, given our aging estate, was arguably larger than most. The number of beds we had available varied across the year as we responded to the demand we faced but we had at least 100 fewer beds than normal throughout the year.

This impacted on both our emergency care services and the number of planned operations we were able to do. In the early weeks and months of the pandemic we saw a steep fall in the number of patients attending our Emergency Departments (EDs), almost certainly due to anxieties related to the coronavirus. As a result, we saw and treated around 25,000 fewer patients in our EDs compared to last year. Towards the end of the year our attendance numbers were more or less back to what we would expect and, on some days, even more than that. Anyone who has visited our EDs – at Grimsby or Scunthorpe – will know we have changed the waiting and the treatment areas to keep people safe.

The cramped spaces in our EDs and the reduced number of beds in the hospitals we have meant we sometimes struggled to move patients out of the department. This, in turn, meant there were times when we had queues of ambulances outside the departments with the crews unable to handover patients quickly. As you will see later these issues led to a high number of patients waiting more than 12 hours and an annual performance for seeing and treating patients in ED within four hours of 81%, a slight increase on last year.

These numbers mask instances of people from our local communities who didn't receive the service we are striving to provide and for that I apologise. Whilst our performance in terms of ambulance handover actually improved marginally compared to last year, we know we still have a lot to do to improve this in 2021/22.

Planned care

In the first wave of the pandemic there was a national decision to cancel all planned care (which means operations or other procedures). With fewer beds available overall, many bedded areas classed as red (these areas are for patients who have tested positive for COVID-19) and staffing pressures through COVID-19 related absences, there were other times when we took the very difficult decision to stop or cancel operations.

The numbers of COVID-19 patients we were caring for at times, particularly over winter in Scunthorpe, also meant we were unable to bring our theatres back into use as quickly as we would have liked. Taken together these issues have had a significant impact on our waiting lists, as they have across the country. This is reflected in our position at the end of the year with a deterioration in our Referral to Treatment performance and with 1,187 patients waiting longer than 52 weeks for their procedure.

To all those patients waiting I send my apologies, we will do everything we can in 2021/22 to improve the position. This will be a key priority for the Trust and we have set ourselves the target of reducing both the number of patients waiting over 52 weeks for elective treatment and those waiting over 104 days for cancer treatment to zero by the end of March 2022.

In terms of outpatient clinic appointments, the pandemic allowed us to begin offering more online and telephone appointments, which is something we were planning to do anyway. I'd like to thank all those patients which took up this opportunity, as well our clinicians who adapted to this new way of working. It's very early days in terms of this approach but we think, on the whole, it has worked well and gives us a strong base to build on as we look to develop this further through 2021/22 and beyond.

Quality and safety

Work continued throughout the year to achieve the 'must do' and 'should do' actions identified by the Care Quality Commission (CQC) in their report published in February 2020 following their inspection in September 2019. Some of this work took, and is taking, longer than expected because of the priority to respond to the pandemic but it is progressing well in most areas.

The Trust saw a sustained decrease in hospital mortality over the course of the year. Mortality in hospitals is measured through a figure called the Summary Hospital-level Mortality Indictor (SHMI). This number is derived from a calculation based on the actual number of patients who die in a hospital (or trust) and the number which would be expected to die. There is a range around the number 100, with a number above the upper end of that range meaning more patients are dying than would be expected and anything below the lower end of the range meaning fewer patients are dying than expected. The latest figures were published in May 2021 and cover the period January to December 2020. The Trust had a SHMI of 106, which is in the 'as expected' banding. This continued the trend of being placed in the 'as expected' banding for much of the past year. This is an excellent achievement, given around 18 months ago the Trust was amongst the three worst trusts in England with a score of 118.

One area we have been focusing on over the last year is End of Life, as we know this is an area where we need to make improvements. Despite the significant challenges over the last year, individuals, wards and specialist teams have continued to receive cards, letters, and acknowledgement of thanks for the care and compassion they have given.

However, we also know in our last CQC report it was highlighted as an area to make improvements and we want to strive to get this right for every individual in our care. That is why we have an active improvement programme which is being led by our Community and Therapies team. As part of this, engagement is taking place with divisions, as well as through a newly formed End of Life steering group with our wider partners including North and North East Lincolnshire Clinical Commissioning Groups, Care Plus Group, Lindsey Lodge Hospice and St Andrews Hospice.

For me it is ‘everyone’s’ business and responsibility to make sure we get this right. We cannot prevent the inevitable, but by ‘getting it right for individuals’ it can go a small way to providing some solace for the family. Another priority we set ourselves at the start of the year was to improve our complaints handling. We carried out a review of the complaints process over the last year, which saw an improvement in both the time taken to respond and the quality of responses. We have also improved how we learn and embed lessons from upheld complaints.

Other developments

Despite the intense operational pressures facing the organisation, it continued to make significant progress on a number of more ‘strategic’ issues. Work has continued with our partners on the Humber Acute Services programme. This has included development and agreement on a much revised and strengthened governance and programme structure, and detailed work on key aspects of the clinical modelling. This work will accelerate in the next year as we look to co-produce options with our staff, patients, and other stakeholders.

Our aim is to produce a Pre-Consultation Business Case (PCBC) for the delivery of new models of care for urgent and emergency care, maternity, neonatal care and paediatrics, planned care and diagnostics towards the end of 2021/22. The Trust agreed a Digital Strategy setting out ambitious plans to transform its digital infrastructure. In the coming year the Trust will deliver the first phase of this strategy, including investment of £2.5 million of Digital Aspirant capital plus £2.5 million Trust ‘matched’ capital. Amongst other work this cash will help to: improve our data warehouse; upgrade versions of current inhouse systems to support paper-lite/paperless working; and pilot a scalable automation platform (Robotic Processing Automation – RPA) to reduce the burdens of repetitive data entry.

Finally the Trust also continued to work at pace on the largest capital programme in its recent history (investment of £130 million over 18-24 months), with multiple strands including major developments in CT and MRI scanning, two new emergency departments and acute assessment units, and also substantial (£3.6 million) investment in fire and water safety works, funded from the major national investment in backlog maintenance across the NHS announced in December 2021.

We are also proud to have secured the biggest grant of any trust in England (£40.3 million) from the Public Sector Decarbonisation Fund, which will allow us to make our hospitals much ‘greener. You can read more about all this work in this report.

Finance

The Trust’s underlying financial position continues to be challenging. However, the usual financial approach and controls which we need to adhere to were relaxed due the pandemic, as they have been for the first half of the new financial year at least. I’m pleased to say we did, within this new approach, meet our financial plan for the second year in succession which is good progress. We have set a priority to continue this trend in 2021/22 with the ultimate aim of leaving Financial Special Measures once and for all.

Conclusion

Looking back at the year overall it has, of course, been dominated by COVID-19. The pandemic impacted in so many ways and will continue to do so for years to come as we deal with the backlog it created, alongside trusts up and down the country. What it showed, more than anything, is the incredible resilience of our staff and their 'can do' attitude.

Our challenge for 2021/22 is to look after them and support them as they recover from such an intense year, whilst at the same time doing everything we can to bring down our waiting lists. That's an incredibly tough balancing act and we need to do that whilst the Trust changes around them – with new buildings, new digital systems, and new ways of working. If anyone can manage to do this, our staff can; they are remarkable. Thanks to them all once again.

Signature:

Chief Executive and Accountable Officer: Dr Peter Reading
Date: 11 June 2021

Overview

The purpose of this overview section is to set out: the purpose and activities of the Trust; the issues and risks within the year which could have affected the Trust in delivering its objectives; an explanation of the adoption of the going concern basis; and a summary of performance for 2019/20 against the national standards.

About the Trust

The Northern Lincolnshire and Goole NHS Foundation Trust (NLaG) is an acute foundation trust serving a population of more than 445,700 people across North Lincolnshire, North East Lincolnshire, the East Riding of Yorkshire and West and East Lindsey. The Trust was formed on April 1 2001 following the merger of North East Lincolnshire NHS Trust and Scunthorpe and Goole Hospitals NHS Trust, and has been a foundation trust since May 1 2007. Being a foundation trust means NLaG has more freedom to act than other types of NHS trust, although it is still closely regulated and must comply with the same strict quality measures as non-foundation trusts. In April 2011 the Trust became a combined and community services trust for North Lincolnshire. As a result of this the name of the Trust, whilst acknowledging the geographical spread of the organisation, was changed during 2013 to reflect the fact the Trust does more than run hospitals. NLaG provides acute and community health services. It offers services in three main hospitals – Scunthorpe General Hospital, Grimsby's Diana Princess of Wales Hospital and Goole and District Hospital – as well as in a range of community settings such as health centres, clinics, Louth hospital and in people's own homes.

COVID-19

During the 2020/21 financial year the Trust's most urgent priority was to respond to the global coronavirus pandemic and all the changes in policies, procedures and practices that involved. Many of these are set out within the body of this report. For this introduction it is important to state one of the biggest changes was the number of beds the Trust had in its three hospitals. Over the course of the year the hospitals' wards and bed bases underwent extensive changes and moves as the Trust responded to different peaks and troughs in the numbers of COVID-19 positive patients requiring care in the Trust's hospitals. There were at least six major changes to wards and beds over the year, with smaller moves also taking place in between these.

Community services

The Trust provides a wide range of community services across North Lincolnshire, including district nursing, physiotherapy and psychology, podiatry and specialist dental services. The community nursing and therapy services staff work with people of all ages and in a variety of settings from health, social care and educational settings as well as in people's homes. The community and therapy staff recognise the importance of people being able to achieve and maintain their independence and health as far as possible.

Goole and District Hospital (GDH)

This is a purpose-built community-plus hospital which opened in 1988 integrating services from in and around the town of Goole. Medical services include general medicine, elderly, cardiology, rheumatology, gastroenterology, dermatology, a light treatment service, diabetes and endocrinology, haematology and immunology, oncology and a minor injuries unit.

The surgical services provided include general surgery, orthopaedics, ophthalmology, Ear, Nose and Throat (ENT) and audiology, gynaecology, urology and pain services. There is also a surgical day case unit, complete with a theatre incorporating endoscopy services.

Two further main theatres are equipped for major orthopaedic work and other types of surgery. In addition, the site has a well-equipped ophthalmic suite and theatre and an outpatient department. Women and children services provide outpatient consultant-led gynaecology clinics, colposcopy services, hysteroscopy services and a purely midwife led 'Home from Home' unit for low risk deliveries. A reduced level of consultant-led paediatric outpatient activity happens in Goole to try to provide care closer to home.

Therapy services are provided for both inpatients and outpatients with physiotherapy, occupational therapy, nutrition and dietetics and psychology services. There are two x-ray rooms together with mobile units, and an ultrasound room. The diagnostics department also provides a regular mobile MRI/CT service. The hospital also provides a neurological rehabilitation centre. The Trust is continuing to develop the hospital-based services focusing on expansion of elective care services and dedicated inpatient rehabilitation services.

Diana, Princess of Wales (DPoW) Hospital

The hospital was built on a single site in 1983 and has undergone considerable expansion since then. The hospital is the largest in the Trust and provides a full range of district general hospital services, including an emergency care centre, medicine, surgery and critical care, paediatrics, obstetrics and gynaecology, outpatients, diagnostics and therapy services.

Medical specialties include diabetes and endocrinology, cardiology (including angiography, cardiac devices and permanent pacing facilities provided from a purpose-built cardiology day case unit), respiratory medicine, elderly care, dermatology, haematology and gastroenterology, stroke services and rheumatology. Neurology, oncology, outpatient cardiothoracic surgery and plastic surgery and renal medicine are provided by visiting consultants from Hull.

The medical floor of the hospital has a medical assessment unit supported by ambulatory care and a short stay ward for acute medical emergency patients. Surgical specialties on site include trauma and orthopaedics, anaesthetics, critical care, general surgery, breast services, urology, ophthalmology, ENT and maxillo-facial and orthodontics.

The surgical floor of the hospital has a surgical assessment unit and short stay ward dedicated to the assessment and care of acute surgical emergency patients. The theatre suite provides eight fully equipped theatres each with its own anaesthetic room, with two theatres dedicated to orthopaedic use (both with ultra-clean air facilities).

One theatre is dedicated to emergency work, staffed at all times. A separate session for acute trauma cases is reserved each day, including weekends. Women and children services provide maternity services and paediatric services in a custom-built building comprising of maternity wards, gynaecology wards, dedicated obstetric theatres, children's wards and the child development centre.

Care throughout the maternity pathway is provided through a pregnancy assessment centre for antenatal and postnatal care. Complementary to this is the community midwifery service the Trust provides.

Emergency/acute paediatric services are provided through the dedicated paediatric assessment and observation unit co-located in the ED. This is supported by a neo-natal intensive care unit and the children's ward, caring for medical and surgical patients. Four designated beds are provided for babies requiring transitional care within the maternity unit. The Trust also has a range of outpatient clinics, providing general paediatric clinics to specialist paediatric clinics. The pathway is continued through the delivery of community paediatrics, ensuring children are provided appropriate care at an appropriate setting.

All the diagnostic and service departments are based on site including endoscopy, radiology with plain film, ultrasound, CT and MRI. The hospital also hosts the Path Links laboratory for pathology and immunology. Community and therapy services provide a wide range of support for inpatients, outpatients and throughout the community covering physiotherapy, occupational therapy, speech and language therapy, nutrition and dietetics, wheelchair services, orthotics, podiatry, psychology and community dental.

Scunthorpe General Hospital (SGH)

The hospital was first built in the 1920s and occupies a 'land-locked' site surrounded by residential properties. The site has grown over time with expanded buildings attached to original structures. It provides the full range of district general hospital services, including an emergency care centre, medicine, surgery and critical care, paediatrics, obstetrics and gynaecology, outpatients, diagnostics and therapy services.

Medical specialties on site include emergency ambulatory care and frail elderly assessment services, diabetes and endocrinology, cardiology (with facilities for cardiac catheterisation and pacing), respiratory medicine, elderly care, dermatology, haematology and gastroenterology, stroke services including hyperacute, palliative medicine, rheumatology and neurology. Oncology, outpatient cardiothoracic surgery, plastic surgery and renal medicine are provided by visiting consultants from Hull. There is a clinical decision unit supported by ambulatory care and a short stay ward for acute medical emergency patients.

Surgical specialities on site include trauma and orthopaedics, anaesthetics, critical care, general surgery, breast services, urology, ophthalmology, ENT and maxillo-facial and orthodontics and pain services. The hospital has a number operating theatres, including two dedicated to trauma and orthopaedic use (both with ultra-clean air facilities). One theatre is dedicated to emergency work, staffed at all times. A separate session for acute trauma cases is reserved each day, including weekends. During 2018/19 two theatres were closed due to problems with the water supply in the block where they are located.

Women and children services provide the entire maternity pathway using a more traditional service model comprising antenatal/postnatal clinics, a dedicated central delivery suite and a dedicated obstetric ward. In addition gynaecology is provided through a range of outpatient clinics and an inpatient ward facility.

Acute/emergency paediatrics is provided by specialist nurses in A&E in conjunction with doctors. The children's ward works closely with A&E assessing and receiving medical and surgical patients ensuring the pathway is seamless. An inpatient paediatrics service is provided caring for children aged 0-16 years, supported by a community service.

In addition a neonatal intensive care unit is based close to central delivery suite allowing easy access for mum to baby. There are also four transitional care beds managed by the neonatal team. All the diagnostic and service departments are based on site including endoscopy, radiology with plain film, ultrasound, CT and MRI. The hospital also hosts the Path Links laboratory for pathology and immunology.

Community and therapy services provide a wide range of support for inpatients, outpatients and throughout the community for adults, children and young people covering nursing, physiotherapy, occupational therapy, speech and language therapy, nutrition and dietetics, wheelchair services, orthotics, podiatry, psychology and community dental. A satellite outpatient service in rehabilitation medicine is provided from premises in the nearby town of Brigg.

The development of three Care Networks, which is being led by North Lincolnshire Clinical Commissioning Group, will result in further integration of primary, community and social care provision.

Finances

The Trust continued to be in financial special measures in 2020/21. This is a decision taken by NHS Improvement and helps trusts facing the largest financial challenges. Trusts in this position and supported and held to account to deliver rapid, accelerated and sustainable changes in their financial position.

Working in partnership

The Trust delivers services by working in partnership with a wide range of partners in both health and social care. This includes (not an exhaustive list):

- National bodies:
    - NHS England and NHS Improvement
    - Care Quality Commission (CQC)
    - Health Education England
    - The Department of Health and Social Care
- Three main Clinical Commissioning Groups (CCGs)
    - North Lincolnshire CCG
    - North East Lincolnshire CCG
    - East Riding of Yorkshire CCG
    - Plus several CCGs in other areas, mainly in Lincolnshire
- Three local authorities, and their overview and scrutiny panels:
    - North Lincolnshire Council
    - North East Lincolnshire Council
    - East Riding of Yorkshire Council
- Other providers of health services:
    - Mental health providers
    - Other acute trusts, especially Hull University Hospitals Trust
    - GPs
    - Community providers
    - Voluntary sector and other third sector organisations
- Education institutions:
    - Hull York Medical School
    - Universities
    - Apprenticeship providers
- Professional bodies:
    - British Medical Association (BMA)
    - Nursing and Midwifery Council
    - Royal Colleges
- Trade unions
- Other emergency services

Strategic Framework 2019-2024

Throughout the 2018/19 financial year the Trust Board spent much time discussing the Trust's purpose and strategic objectives. These conversations will continue on a regular basis as the Trust's responds to what is happening nationally – such as the publications of the NHS Ten Year Plan towards the end of 2018 – and locally, with changes to how services are commissioned and delivered through the development, for example, of the Primary Care Networks across the area served by the Trust.

In 2018/19 the Trust published its strategic framework. The framework sets out the Trust, vision values, the principles it will work to, objectives and priorities to achieve by 2024. In 2019/20 the Trust developed a Strategic Plan setting out what it is aiming to achieve under these headings in more detail. This plan is available on the Trust website. The next section of this report sets out the detail behind the strategic framework.

Vision

The Trust Board has agreed this vision: 'Committed to caring for you'

Values and behaviours

Principles

Right care, right place, right time

Patients are very clear they want, wherever possible, services which are close to them and their homes. Whilst this is not always possible – because of the lack of specialist staff, for example – it is something which the Trust is committed to achieving as much as it can. To make this happen the Trust will be looking at how technology can help to provide services in a different way.

Whole system thinking, whole system practice

This principle is all about making sure all the different organisations offering healthcare in the Northern Lincolnshire and Goole areas, as well as across the Humber and wider where appropriate, work together so patients only tell their story once and information about them can be viewed by anyone who needs to see them. It also means making sure patients, wherever they live and whatever they need, get the same service and level of care.

Patient centred care

All the evidence shows patients like to be involved and communicated with so they know what is happening to them and why. It helps them to understand their condition, what treatment they are receiving and often means they recover more quickly. Making sure this happens every time the Trust needs to involve patients and their families and carers when it is making decisions to change services or provide them in a different way.

Transformation of services where appropriate

Given the challenges the Trust faces it is clear it cannot continue to do what it has been doing. The Trust does not have the staff or infrastructure (in terms of buildings and equipment) to do that. This means the Trust needs to work with other hospitals and partners to create services which, together, do have the specialist staff to offer safe and effective services. The Trust also needs to learn from other trusts on better ways to run services to improve the outcomes for patients. If the Trust does all of this it can create three vibrant and sustainable hospitals offering high quality services to our communities.

Strategic objectives

As part of the strategic framework the Trust Board has agreed five strategic objectives:

To give great care

We want to offer high quality, safe services which are stable and are not reliant on just one or two members of staff. We want to make sure we have a culture of continuous improvement and we learn from incidents and other hospitals. We want to make sure we focus on patients and their needs. So, to provide great care we will work and make decisions where we:

- Never compromise on safety
- Give care which works and is clinically proven
- Work on what matters to patients
- Always seek to learn and seek improvements

To be a good employer

Our staff are, without question, our most important asset. We need to do everything we can to offer great jobs and career progression in an environment where everyone feels supported, appreciated and invested in. We want our staff to feel they can raise concerns and ideas and know they will be listened to. Only by doing these things will we begin to attract and retain the numbers of staff we need to run our services. We will therefore look to:

- Develop a skilled and motivated workforce and promote staff wellbeing
- Create a safe and nurturing environment
- Listen to the concerns and ideas of staff

To live within our means

For many years the Trust has spent more money than it gets in. It is for this reason it was put into Financial Special Measures. We need to be better at financial planning and managing our scarce financial resources. Reporting a deficit very year is not something the Trust can do forever. In the next five years we need to make sure every pound we receive is spent in the right way and we make sure we live within our means. So, we will be aiming to:

- Deliver value for money and work to eliminate the deficit
- Spend every pound wisely
- Innovate and educate to save
- Secure more investment

To work more collaboratively

The Trust is not able to offer high quality services to everyone who needs them. Some patients' needs are too complex for us to treat as we don't have the specialist skills and knowledge to do that. Other patients need the support and help of mental health specialist teams which we do not have. For the local health providers to do the best for every single person in our communities we are going to have to work together. This means, for example, thinking about new ways to attract staff who might work for a number of organisations. To make sure we collaborate more the Trust will:

- Work with others to provide sustainable services
- Develop talent for the health community
- Use resources in the best way we can

To provide strong leadership

The strategy can only be successful if all the Trust's staff are committed to making it happen. That commitment comes from making sure they have the tools, knowledge and equipment they need to provide the care they strive to. It also means they have managers who show a similar commitment to make sure their teams are working effectively, and everyone knows what they need to do and how they are going to do it. Our leaders need to be role models for all that is best in the NHS and in the Trust. By doing this they will create ambitious, motivated and successful teams. As such we see strong leaders to be those who:

- Ensure professional standards
- Be ambitious and aspirational
- Role model values and behaviours
- Develop skills and knowledge
- Strengthen team working

2024 priorities

The strategic framework sets out that by 2024 the Trust will have achieved six priorities and these are:

Integrated urgent and emergency care

The Trust wants to create an urgent and emergency care service which means patients are seen by the right staff members in the best place for them and as quickly and efficiently as possible. Often this means patients are not seen or treated in the A&E department as they have been for many years) but in other, more appropriate services.

To achieve this, the Trust will, over the next five years:

- Develop and implement community-based assessment for frail patients
- Achieve the integration of Urgent Treatment Centres
- Create multidisciplinary assessment models combining surgical and medical assessment, ambulatory care and short stay services to:
  - reduce length of care
  - increase same day emergency care
  - avoid admissions
  - achieve the reconfiguration of existing infrastructure through allocated capital funding to combine the above services into appropriately located multidisciplinary assessment units
  - deploy allocated capital funding to locate the above services together.

Transformed outpatient services

The NHS Ten Year Plan sets out the national vision for outpatient services. It is ambitious and talks about reducing visits to hospitals for these appointments by about a third, using technology to achieve this.

The plan also talks about finding better ways for different healthcare services to share information about patients. To make sure the Trust can meet these ambitions it will, in the next years, work to:

- Implement Advice and Guidance across all specialities to improve referral flow and reduce demand
- Achieve virtual clinics to avoid the need to attend hospital
- Develop and implement shared care plans with other healthcare professionals
- Develop digital systems to deliver a third of outpatient attendances out of hospital

Created a sustainable hospital at Goole

The Trust wants to create three vibrant hospitals to serve its local communities, this means focusing on Goole as well as Grimsby and Scunthorpe. In 2019/20 the Trust set a priority to move more planned care to Goole District Hospital.

This was the start of a longer-term piece of work to create a sustainable hospital in the town. In the following years the Trust will:

- Increase the elective / day case planned surgery provision to its full potential
- Through wider integration, develop opportunities to create a base for a centre of excellence i.e. rehabilitation services

Worked in partnership with Primary Care Networks

Working more closely with primary care, i.e. the GPs and their surgeries, is another key element of the NHS Ten Year Plan. This makes sense to share resources – people and money – and to share getting the best out of them through shared training, recruitment and retention approaches. In the next five years the local health system will change through the development of Primary Care Networks.

Each network consists of groups of general practices working together with a range of local providers, including across primary care, community services, social care and the voluntary sector, to offer more personalised, coordinated health and social care to their local populations.

The Trust will work with these networks to:

- Explore opportunities to join resources with primary care
- Strengthen clinical recruitment and training across the healthcare system
- Work to share skills and knowledge across the primary care system

Reconfigured specialties on to one site where appropriate

Through the Humber Acute Services Review the Trust will ensure all services are reviewed and assessed to provide optimal care for the population in the right place and at the right time with a particular focus on:

- Development and implementation of a Cardiology Strategy
- Review of Maternity and Paediatrics to meet the required standards and ensure the Trust has the right pathways and service support in place
- Development and implementation of a Medicine Strategy
- Development and implementation of a Surgery Strategy

Restructured cancer services

Cancer services are one of the areas where the Trust needs to improve: to make sure patients get access to diagnostics quickly and, where cancer is identified, treatment can start as soon as possible. Access to cancer outpatient appointments changed in January 2020 when the Trust centralised them at Grimsby. There is more detail on this later in this chapter.

The Trust does not have access to skilled and experienced cancer specialists and needs to change what it does to make sure it provides the best possible care to every patient. It will look to do this by working with other Trusts and hospitals which do have the experienced staff as well as the facilities to provide the very latest treatments.

To ensure this happens in the next five years the Trust will:

- Review and assess tumour site services to provide best care
- Explore and develop new models of care to ensure faster diagnosis is delivered in 28 days and treatments provided to time
- Expansion of MRI and CT scanning through capital funding to implement new scanners

Enabling strategies

To deliver the strategic framework the Trust has developed several complementary enabling strategies. Most of these were developed and approved in 2020/21 These cover the key areas the Trust needs to get right to ensure its long terms goals are delivered. They cover areas including clinical services, people, nursing, risk, finance and quality. Each has been designed to ensure it supports the objectives of the others, so that when they come together they deliver all the objectives we are aiming to achieve. More detail on each is set out below.

Clinical

Focused on how – and where – care is given, this strategy sets out how we will continue to provide the safe, high quality and sustainable clinical services that our communities want and deserve, while meeting the challenges of modern healthcare provision. We know that we need to think differently and be less reliant on in-house provision and that what matters to our patients is that they're given the right care, in a timely manner, by someone who has the right skills and expertise to meet their needs.

Over the last year we have come up with innovative new ways to reach our patients to continue their care without putting them at risk because of the pandemic. The aim of this strategy – in conjunction with all our other strategies - is to build on what we have already achieved. This means investing in technology to help deliver services to improve our efficiency and effectiveness and provide new ways in which our patients can access services.

We will be working in partnership across primary, community and social care and with other healthcare providers to deliver more services that are closer to home. By transforming patient pathways and developing best practice models of care, we'll improve the patient experience, reduce waiting times and either the need or length of stay in our hospitals.

And it also means investing in our people. We want to create new clinical roles which allow staff to operate across many pathways, backed up with enhanced training and support, which will provide more opportunities for career development and progression. It is also important that we recognise that we're operating in a rapidly changing environment. With so many changes taking place because of the National Long-Term Plan, the NHS Commissioning Landscape and, more locally, the Humber Acute Services Review, it's vital that we continue to adapt and evolve.

A major element of the Clinical Strategy will be the implementation of the Humber Acute Services programme and we are already moving quickly to develop potential service change options. The review will consider how we can provide the best possible care for local people who need to use acute hospital services within the resources (staffing, buildings and money) that are available to local NHS healthcare providers. This may include delivering some aspects of care out of hospital in GP surgeries or other community settings to better meet local people's needs. As the Humber Acute Services programme of work progresses, this strategy will be kept under review and updated every six months.

People

Our ambition is to become an employer of choice, somewhere our teams are proud to say they work and a place others aspire to join. We will mirror the commitment and compassion our staff show to the people in their care by showing them that same dedication and investing in more support mechanisms, better training and the equipment and facilities they need. And we'll ensure there are clear career pathways, allowing them to grow, develop and take on new challenges, whichever area they work in.

Our plan of how to get there is focused on three key themes:

- Workforce – We will attract, develop and retain talented, qualified and skilled staff, creating clear and attractive career pathways and reducing agency spend.
- Culture – Health and wellbeing is our priority and we will continue to invest in measures to support our staff both in and outside work.
- Leadership – We recognise that we all have a leadership role and we will ensure our teams have the skills and knowledge they need.

Estates

We know that to continue to provide excellent standards of patient care, we need the right equipment, services and facilities. We also know that some of our current estate is just not up to the job and that's why we will continue to make significant investment into the refurbishment and improvement of our sites. The aim of this work is for us to provide the facilities needed to improve the quality of our care through better diagnostic tools, reduced waiting times and faster access to specialist clinicians.

We also want to improve our financial situation, reducing operational costs and levels of backlog maintenance. We have already secured £130 million funding for a number of significant projects.

Our new Emergency Departments at Grimsby and Scunthorpe will allow us to integrate urgent and emergency care, while the Coastal CT suite and increased MRI capacity will have a huge impact on diagnostics. We also want to ensure that we do all we can to help prevent our staff and our communities from becoming ill or contracting serious conditions in the future.

Our Green Plan is a key part of that work. Poor environmental conditions have been linked to a few serious illnesses, from respiratory diseases to cancer. Over the coming year we will install more energy efficient power sources and additional sustainability measures that will reduce our carbon footprint by more than 5,000 tonnes a year.

Quality

Everything the Trust does is focused on giving great care to our patients – it is the first and most important strategic objective and what staff come to work for. The Trust's Quality Strategy sets out how it will support our teams in providing high quality, safe and stable services, which are not reliant on individuals.

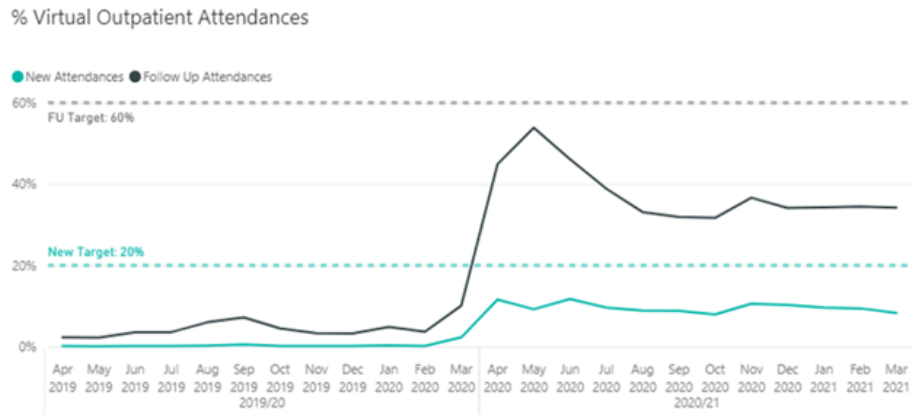
The Trust is always striving to learn, develop and improve what it does, and wants that culture to be embedded into everyday life at NLaG. There will always be lessons to learn and fresh thinking to adopt which will help the Trust to continue to get better and better. The Trust must not be afraid to embrace that. The Trust is continuing to invest in this, providing the training, support and facilities needed. And, by taking every opportunity to improve safety standards and provide a better experience for patients, it will also make progress against its wider ambitions.

This includes action to reduce waiting times, backlogs and hospital mortality, thereby improving flow through the hospitals. Investment in improved facilities and equipment will help the Trust to improve the effectiveness of cancer pathways, management of diabetes and mental health provision. By working more closely with our partner organisations, the Trust can help to provide more patient services either in the home or closer to home and that includes end of life care.

Digital

The world of health care is changing and, if anything, the coronavirus pandemic has accelerated that change. More and more of our everyday tasks are now being carried out online – from meetings to the weekly shop – and even patient care. During the pandemic the Trust embraced the use of technology to allow it to continue to care for patients without them having to come into the hospitals.

It has worked well for both the Trust and patients and part of the Trust's digital agenda is to build on that. For example, the original aim was to conduct 30% of outpatient appointments virtually and the Trust had already surpassed this by April 29 2021.



Open in Power BI
Programme KPIs
Data as of 29/04/21, 06:48

As one of the NHSX Digital Aspirant trusts NLaG is investing in digital solutions to help make life easier for staff, whilst ensuring there is no compromise on the quality of patient care. For example, the Trust will become more efficient, reducing the need for them to update multiple systems and ensuring they have access to information in a variety of care settings and across organisations. There are also plans to modernise and redesign the Trust's IT infrastructure to support ambitions around virtual outpatient appointments and move towards the goal of 90% of observations being digitally recorded.

Risk and Governance

It's the nature of the Trust's work that risk is an inherent part of the everyday lives of staff. However, to ensure that risk does not result in patients, visitors and staff suffering avoidable harm, it is important the Trust has robust procedures in place to manage that risk. That is the focus of the Risk and Governance strategy which sets out how the Trust plans to eliminate risk wherever possible and reduce the impact to acceptable levels where it is not.

This will be a constantly evolving process, as new risks are identified and flagged but what will remain constant is that the Trust will never compromise on safety. Each potential issue will be analysed and a decision will be made as to whether it should be tolerated, terminated, transferred or treated:

- If the risk score is low, nothing further can be done to reduce it and it cannot be transferred or terminated, we may feel a risk is acceptable and 'tolerate' it.
- We may make a strategic decision to terminate a risk by stopping the associated process entirely.
- The risk may be transferred to another organisation – such as insurer – or a more appropriate service or division.
- Actions may be put in place to reduce the risk. As progress is made in treating the risk, it is reassessed to determine if further action is needed or it can now be tolerated.

For this process to work the Trust will ensure that risk awareness in embedded into the culture of the organisation, with all staff taking responsibility for managing it, no matter what grade they are or area they work in. Our ambition is for all members of staff to feel confident in speaking out if they see a potential issue or are aware of something that's gone wrong.

This is not about blame. The focus of this process is making sure the Trust learns from any mistakes and that measures are put in place to make sure that the same problem does not happen again.

To help embed this culture, the Trust will provide ongoing training and clear guidelines about our collective responsibilities and the process for reporting and issues. The Trust will also keep a live risk register which will be regularly reviewed by the executive directors and Trust Board to ensure resources are made available to eliminate, reduce and manage risk.

Nursing, Midwifery and Allied Health Care Professionals

The strategy builds on the priorities identified in ne earlier plan and which staff helped develop in January 2019. It outlines our priorities, the key actions we will take, how we will look out for each other and how we will make it a success. This is the start of our journey to develop a more diverse workforce and challenge some of our more traditional roles. The Future 5 and Beyond will support these staff groups to:

- Develop a practice of continuous learning and development
- Develop a valued and respected workforce
- Use our resources effectively to make sustainable changes
- Continue to embed and raise our professional standards
- Provide high quality, innovative safe care.

The Future 5 and Beyond priorities are to:

- Develop leaders now and for the future
- Improve recruitment and retention
- Continue to build on professional standards
- Aim to provide harm free care
- Focus on patient-centred care.

The strategy sets out how the Trust will: continue, and build on, supporting and developing staff; introduce new ways for teams to look after each other; and embed improvements across the organisation.

Medical Engagement

This strategy recognises our frontline workers and our medical teams are best placed to know what patients need and what they need in order to provide excellent standards of care. This strategy is focused on embedding a of two-way communication and providing more opportunities for open and candid discussion.

Whether this is through support networks, formalisation of existing bodies like the Junior Doctors' Forum or more regular meetings between Divisional Directors and clinical leads, what's important is our teams of medical staff feel comfortable in giving their input. With big changes on the horizon for healthcare in our area – and across the country – there has never been a more important time to make their voice heard.

Already, our teams are starting to see the impact their contribution can make. For example, clinical colleagues have been involved in every step of the design of our new Emergency Departments, shaping the decision making on everything from the layout to the equipment.

Significant events in 2020/21

The COVID-19 pandemic

COVID-19 has had a significant impact on the way the Trust has functioned during 2020/21 as it has had to adapt to new ways of working and caring for patients. The Trust's hospitals saw its first positive patients towards the end of March, and by April 2020 it was starting to really feel the impact of the virus.

With it being a 'novel' virus changes had to be made quickly to the way staff worked, and the way we cared for patients. These changes evolved – and continued to do so throughout the year - as new information and guidance was released nationally and regionally.

One area which has been significantly impacted on is our waiting lists. Further information relating to this can be found later in this chapter. At the end of February 2020 there were 6,119 people waiting for planned surgery, including day cases. This dropped to 5,589 as of 31 March 2021.

Due to the pandemic, the national directive was to halt all elective (routine surgery) to allow enough capacity to care for any surges in COVID-19 patients. Our emergency theatres continued at all three sites, with trauma also continuing at our Grimsby and Scunthorpe hospitals.

During wave one of the pandemic routine work was stopped at Goole on 23 March 2020 and did not restart until 18 May 2020. Routine work was reduced to one session per day on 30 March 2020 at Scunthorpe for 31/62-day cancer patients, and at Grimsby theatre capacity was reduced to one elective session per day until 11 May 2020. During wave two, Grimsby and Goole theatres did not stop, but Scunthorpe was halted again on 24 December 2020 until 8 February 2021 to re-start laser patients, and then on 15 February 2021 it reopened a further full day theatre.

This stop-start consequently impacted on the number of people waiting more than 52 weeks for their procedure. This had reduced to just four people at the end of March 2020, however at the end of March 2021 this had increased to 1,187.

To try to mitigate some of the impact the Trust worked collaboratively with Grimsby's St Hugh's Hospital and, between June and December 2020, some procedures were carried out there. They also provided ad hoc sessions during January and February 2021 for some gynaecology and urgent breast work.

Outpatient clinics also felt the impact of the virus, as they had to initially all be cancelled to reduce the footfall of people coming onto the hospital sites. We were able to restart appointments with the use of Attend Anyway which allowed patients to see their clinician remotely through a video feed on their devices, including phones, tablets, laptops and desktop computers. Where patients have had to be seen buy a consultant, these appointments did still go ahead. This new way of 'virtual' working provides patients with greater flexibility around their appointments, saving them time and money on travel.

Technology was also used when national restrictions came into force around visiting which prevented people from seeing their loved ones. Knowing how important it was for families to stay in touch, the Trust initially launched a dedicated phone line for people to leave messages which were then relayed to the wards. Then in April it secured 70 tablet devices which allowed patients to speak to their families from their hospital beds. The Health Tree Foundation (HTF) bought the devices at a cost of more than £12,000 thanks to funds raised by Grimsby Carpet Warehouse (GCW) and PD Ports. They were distributed to every ward across the three hospital sites and the Patient Experience Team and volunteers helped patients and staff to use them to connect with family and friends.

For those inpatients who have had to be admitted, they have seen a change to the way we structure our wards and the way we work. Traditionally our hospitals have worked on a specialty basis, surgical and medical with subspecialties such as gastroenterology, diabetes, reparatory etc. Wards are now configured according to the coronavirus status of the patient – green (negative), yellow (unknown) or red (positive). The Trust also had to provide extra spacing between patient beds and has reduced its overall bed stock by around 73 over the last 12 months. To improve the infection prevention and control (IPC) further pods were purchased for waiting areas, screens installed, and 'redirooms' (pop-up structures) were bought to create additional capacity in red areas.

Staff have had to adapt to all these changes and many others such as the use of personal protective equipment (PPE), enhanced IPC measures, caring for patients in different ways as well. It is testament to everyone working hard to support our patients; from the doctors, nurses and allied health professionals caring for them, to the operational teams and infection control experts managing the incident, those working tirelessly to process the endless swabs in the labs; and of course those ensuring our ward areas are cleaned to a high standard, together with our porters, laundry and catering teams, our estates staff, and the admin staff working further behind the scenes, supporting those in the front line. 2020/21 has been a real team effort. The next few pages contain a brief snapshot of what the Trust did between 1 April 2020 and 31 March 2021.

COVID-19 information: 1 April 2020 - 31 March 2021

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

April 2020

- The Trust recorded its first COVID-19 inpatient on 16 March. By 1 April there were 28 cases, 12 at Grimsby and 16 at Scunthorpe
- In line with national guidance, the Trust cancelled all its elective surgery apart from cancer, urgent and trauma cases
- New national guidance was announced which meant staff in high risk areas, were advised to wear gloves, aprons, gowns, filtering face piece respiratory and eye protection at all times. For those in all other clinical areas – including wards, clinics and community, staff were advised to wear an apron, mask and gloves at all times
- A number of third year students – nurses and midwives - started work for the Trust in April
- The Trust started video consultations for some outpatients and launched a pilot of the use of 'Attend Anywhere' technology in respiratory and cardiology
- Tablet devices were purchased for the Trust so patients could speak to their loved ones via video call during these difficult times

May 2020

- The Trust introduced a new zoning approach to the way it ran its wards. Red zones cared for those patients who were laboratory confirmed COVID-19 positive. Green zones for patients who were clinically and laboratory confirmed COVID-19 negative. Yellow zones for those patients whose COVID-19 status was not yet known. These were split into A and B to segregate patients who required admission but their COVID-19 status was not yet confirmed

June 2020

- By the start of the month the Trust was reporting around 107 deaths and were caring for seven COVID-19 patients in its hospitals: one at Grimsby and six at Scunthorpe. It had had discharged around 241 people
- New Government requirements for wearing of face masks by hospital and community staff came into force from 15 June. It saw all NHS hospital staff donning masks, as well as visitors and patients coming in for appointments
- The Trust launched COVID-19 antibody testing service for staff this month. The results could tell someone whether they had had the virus or not, but not about any level of protection or immunity from getting the virus again

July 2020

- At the start of the month the Trust was looking after four positive COVID-19 patients, it had reported in the region of 112 deaths and had discharged approximately 228 people
- As of 3 July, the antibody testing on the majority of the 6,500 staff had been completed, with results through from 5,988. Of these, 554 (9.25%) tested positive for the antibodies
- On 24 July we reported no COVID-19 positive inpatients in any of our hospitals for the second day running – this changed within a matter of a weekend when it went up to three

August 2020

- At the start of the month there were two patients at Scunthorpe hospital who were COVID-9 positive
- The Trust issued a call to staff to take part in a nationwide SIREN study

September 2020

- As of 2 September, there was just one inpatient who had tested positive for COVID-19
- The Trust signed up its 100th staff member to the nationwide COVID-19 SIREN (Sarscov2 Immunity and Reinfection Evaluation) study. Staff signed up to having regular swabs and blood tests every two to four weeks for the next 12 months! By taking part, staff helped provide important information about re-infection among clinical NHS healthcare staff and provide a stronger evidence base to inform national guidance and policy
- The first deliveries of the flu vaccine arrived at the end of month, ready for the rollout of the national flu campaign targeting frontline staff

October 2020

- As of 2 October, there were seven COVID-19 positive patients, four at Scunthorpe, two at Grimsby and one at Goole. The Trust was reporting 20 people had died, and that it had discharged around 238 people
- Despite the operational pressures, on 28 October NLaG launched a new way of working which saw staff from medicine, surgery and family services (gynaecology) all working together under the new Integrated Acute Assessment Units (IAAU) delivering same day emergency care (SDEC), acute assessment and short stay services at both Scunthorpe and Grimsby hospitals

November 2020

- 18 November we went live with our new Patient Contact helpline. It was launched to support worried relatives who were ringing the wards trying to get updates on their loved ones
- 20 November we held our first ever virtual Our Star awards which broadcast on our YouTube channel
- 23 November we had 185 COVID-19 positive patients in our hospitals – this was more than two and a half times the number at the peak of Wave 1, and comprised 90 each in Grimsby and Scunthorpe, with six and five respectively of these in ICU; and five at Goole.

December 2020

- At the start of the month we were providing care for 149 COVID-19 patients in our hospitals: 65 in Grimsby, 81 in Scunthorpe, and three in Goole, with a total of eight in our ICUs. We had discharged around 514 patients and had recorded 240 (our own stats not national) deaths

January 2021

- January 3 saw the start of the rollout of lateral flow testing for staff
- On 4 January we were reporting 118 coronavirus patients in our hospitals. We also received our first batch of COVID-19 vaccines (manufactured by Pfizer) to Scunthorpe hospital and we started vaccinating our high-risk staff the following day
- 6 January saw the opening of the new Coastal CT suite at Grimsby hospital
- 8 January saw the Trust open booking for frontline staff to receive their first dose of the Pfizer vaccine from our hospital Hub
- 9 January we took receipt of a new CT scanner for Grimsby hospital, as part of our Coastal suite project

February 2021

- On 1 February we were caring for 84 positive COVID-19 patients in our hospitals with 42 patients at Grimsby and 42 in Scunthorpe. We had reported 391 deaths
- On 12 February our vaccination team administered its 10,000 COVID-19 vaccine to NLaG staff and other health and social care colleagues
- Our Community and Therapies Division presented on 24 February to the Health Service Journal Awards judging panel after being shortlisted as finalists in the Primary care networks, GP or Community Provider of the Year category
- At the end of the month we had 62 COVID-19 positive inpatients – 30 at Grimsby with one in ICU and 32 at Scunthorpe with one in ICU. We had discharged 961 patients

March 2021

- 1 March our numbers showed we had 66 COVID-19 positive inpatients in our hospitals, with 34 at Grimsby, with one in ICU, and 32 at Scunthorpe. We were reporting 421 deaths
- 9 March – our digital letters rollout began with trauma and orthopaedics leading the way. It means staff will no longer need to print appointment letters – instead patients will receive a text message with a secure link to read their digital letter online. They can then choose to confirm, cancel or request to rebook.
- 15 March – Scunthorpe hospital reopened its doors to elective procedures
- 21 March saw our new MRI scanner being delivered to Grimsby hospital
- 23 March we hit another milestone - we had discharged more than 1,000 COVID-19 patients from our care
- 23 March we received the news that our planning application for a new Emergency Department and Acute Assessment Unit at Scunthorpe hospital had been successful
- 23 March was also one year on since the first national lockdown. On this day, we were providing care 25 COVID-19 positive inpatients, and we had reported 444 deaths
- 29 March we reopened our staff vaccination Hubs for those staff having their second dose.

Building our future – progress with capital investment

In order to fulfil our objectives of providing great care, being a good employer and living within our means, we need the right facilities and environment. We have ambitious plans to create bespoke new facilities which will allow us to reduce waiting times, diagnose patients more quickly and cut hospital stays.

We will also become more energy efficient, reducing our carbon footprint by 5,000 tonnes a year by removing outmoded power supplies and upgrading our infrastructure across our estate.

In 2020/21 the Trust made significant progress in achieving these objectives, securing £130 million in grant funding to finance the programme and work is already well underway.

In Grimsby our new £1.9 million Coastal CT Suite welcomed its first patients in January 2021 and construction of our new MRI suite was due to be completed in April 2021. This £8 million facility will house two brand new scanners, greatly increasing our scanning capacity. Work to expand our MRI suite in Scunthorpe is also underway and is due to be completed in autumn 2021.

However, at the heart of the programme are our exciting plans to create new multi-million pounds Emergency Departments at both Grimsby and Scunthorpe. The £30 million funding for this programme has already been secured and work is already underway, following planning permission for both schemes being granted in late March.

Aligned to the new Emergency Departments will be new Acute Assessment Units (AAUs). The £24.86 million funding for these units was announced in 2020 and the outline business case has been approved. We're now in the process of developing the full business cases, working with NHS England and NHS Improvement and the Integrated Care System. Both areas have been designed in consultation with our nursing and clinical teams to ensure they have the facilities they need to provide the very best care and service, both now and in the future.

Green future

Sustainability has also been at the forefront in our plans for both Emergency Department schemes. Modern construction methods and materials have been utilised to minimise the environmental impact of the builds and ensure their future energy efficiency performance is as high as possible. The schemes are also designed to encourage the use of sustainable transport, with a focus on maintaining excellent links to public transport and increased secure cycle parking on both sites. We will also be building new single-storey decked car parks at both Grimsby (pictured above) and Scunthorpe, which will include several charging points for electric vehicles.

In addition to this, £40.3 million has been secured from the Public Sector Decarbonisation Scheme, which will allow us to implement significant energy efficiency measures across our estate, in line with our Green Plan and the national Greener NHS Strategy. It's important to us that we're not only there to treat patients once they become ill but to help prevent them from contracting illnesses and conditions in the first place.

Reducing carbon emissions has significant health benefits, as poor environmental health contributes to a number of major diseases, including cardiac problems, asthma and cancer. And with that in mind, our first priority is to replace the coal-fired boilers at Goole with a low-carbon gas CHP system. When combined with the other energy efficiency measures – such as improved insulation, windows, Building Management System and LED lighting – this will reduce the carbon emissions at Goole alone by 60%.

The same additional improvements will also be made at our sites in Grimsby and Scunthorpe, where we will also increase the number of solar panels. At Scunthorpe, we will also replace the aging steam system that is currently in operation and upgrade the ventilation plant. It's not just large-scale projects that are making a difference to the quality of the environment for our staff, patients and visitors. We're also investing in upgrading our water infrastructure and fitting new fire security systems across our three sites.

Investing in technology

There's also a lot going on behind the scenes that will help to improve care for patients in our hospitals, make us more efficient and transform our outpatient services. As part of the NHSX Digital Aspirant Programme, we have been awarded £5 million to help us to invest in the technology and digital infrastructure we need. The first instalment was received in March 2021 and was used to improve our IT infrastructure and we have procured new devices to support mobile working, ward boards and clinical monitoring systems.

We are now planning the projects with the second instalment, which will deliver improved reporting on how we are doing as an organisation in achieving our objectives, and upgrades to digital systems to better support patient care. These foundational improvements will allow us to conduct virtual outpatient appointments for 30% of our patients and make it easier and more efficient for our staff to record observations. By working with our partners across the Humber Coast and Vale region, we are also ensuring that our systems will allow clinicians to access patient records in a variety of care settings.

We will also create a Single Point of Access for patients, which will empower them to get involved in their own care. As we continue to pilot and develop more patient access, we are looking to improve the digital literacy and access to digital solutions for those in our community. Working with the Humber Acute Services Review, our Integrated Care System, Yorkshire Humber Care Record and other partners, we are looking forward to a future where digital is making engagement with the healthcare system more patient friendly.

Key issues and risks that affected the Trust in 2020/21

Risk type	Nature of risk	What was done
Business continuity and emergency preparedness	The adverse impact of external events (especially the UK's exit from the European Union and the coronavirus pandemic).	The Trust's incident management approach was focussed on both Brexit and COVID-19 pulling together and co-ordinating the response locally and responding to national and regional changes in guidance/requirements. This approach co-ordinated all the mitigations for COVID-19 including: zoning; rapid testing; capacity oversight; escalation; and the procurement of extra equipment. Executive leads for various elements of the pandemic response were put in place along with two executive Senior Responsible Officers (SROs). There is more information through this report.
Quality and clinical improvements	The risk of non-delivery of agreed quality and clinical improvements (including mortality).	The Trust's mortality improvement programme supported improving the quality of data which led to a more accurate (and lower) Summary Hospital Mortality Indicator (SHMI). The quality priorities the Trust set for the year have seen good progress in work carried out. As well as mortality improvements these priorities included: responding to deteriorating patients; improving length of stay; Care Quality Commission (CQC) engagement and delivery of the associated improvement plan; diabetes management; and complaints management. The quality priorities set that linked to flow and waiting were not met due to the negative impact of COVID-19.
Staffing	The inability of the Trust to secure sufficient numbers of skilled and experienced staff.	Shift fill rate for nursing fluctuated throughout the pandemic with a fill rate of around 100% during the months the Trust had the support of third year student nurses and down to a low of 83% in December 2020 (dur to a combination of winter, escalation beds being open and sickness) The Trust was awarded money as part an NHS England workforce mandate to support healthcare support workers and International nurse recruitment. Medical vacancies increased slightly over the course of the year.

Key issues and risks that affected the Trust in 2020/21 continued

Risk type	Nature of risk	What was done
Culture	Ineffective staff engagement affects morale and leads to a failure to change and improve the Trust's culture.	The Trust implemented a number of communication and health and wellbeing initiatives throughout the year to help staff cope with the pandemic.
Financial	The Trust does not achieve its financial plan for 2020/21 and/or the Northern Lincolnshire financial plan for 2020/21 is not achieved.	The coronavirus pandemic led to a different financial regime being in place throughout the financial year.
Strategy	The lack of a consistent and clear set of strategies, linking to the Clinical Strategy and Trust strategic framework, could impact om the long-term sustainability of services.	The Trust developed and approved a set of underlying strategies including clinical, digital, people and estates. The Trust continued to work with Hull University Teaching Hospitals (HUTH) on plans for reconfiguring hospital services across the Humber.
Infrastructure	A failure of the Trust's physical and digital estate could impact on the quality and/or availability of patient services.	This remained one of our highest risks that never reduced because of the huge disparity between the Trust's estate and the levels of backlog maintenance required. The mitigations in the Board Assurance Framework included continuing to prioritise which backlog maintenance work to do and responding to authorised engineer reports and beyond which will help to mitigate some of this risk further.

Activity levels in 2020/21

	2020/21	2019/20
Emergency Department attendances at Grimsby and Scunthorpe	**123,469**	148,504
Admissions into hospital	**87,094**	111,957
Number of discharges (patients leaving hospital)	**86,913**	112,244
Outpatient appointments	**343,952**	416,993
Births	**3,747**	4,091
Patients who were admitted as an emergency	**34,082**	42,587
Total procedures	**194,106**	205,745
Total elective procedures	**76,105**	107,704

Performance analysis

The Well-led Framework used by NHS Improvement identifies effective oversight by Trust Boards as essential to ensuring trusts consistently deliver safe, sustainable and high-quality care for patients. This includes robust oversight of care quality, operations and finance. At the Trust an Integrated Performance Report (IPR) is submitted monthly to the Board for assurance.

In August 2020 the Trust Board held a development session on Making Data Count (MDC), which set out a new approach to presenting and interrogating the Trust's performance information. Following this the Trust Board agreed the IPR should be redeveloped in a similar style to the best practice examples which were shared as part of the session. These examples used statistical process control (SPC) charts to demonstrate performance.

A staged approach was proposed rather than a 'big bang' approach, starting with one section of the report being redeveloped and the format being approved by the Board prior to this approach being applied to other sections. It was also agreed the new IPR style would be applied to Board sub-committee reports and to divisional performance reports to provide consistency of reporting throughout the Trust.

Finally, it was agreed that the new IPR would be structured to reflect the national targets outlined in the NHS Oversight Framework 2019/20 along with the Trust's annual priorities.

The purpose of this revised approach is to ensure the Board is provided with robust and timely information on organisational and operational performance. Further information is provided to the Board on an exception basis where under performance in a particular area or against a specific target is identified.

2020/21 Performance compared to Trust performance in 2019/20

Status	Performance Description
Red (N)	**Declined:** 2020/21 has declined based on the 2019/20 performance position.
Green (Y)	**Improved:** 2020/21 has improved based on the 2019/20 performance position.
n/c	**No change in performance**

Performance Indicator	2020/21	2019/20	Improved Position?
A&E waiting times – admitted, transferred or discharged within 4 hours	**81%**	78%	**Y**
Trolley waits in A&E longer than 12 hours	**106**	3	**N**
Ambulance handovers >15 minutes from arrival	**19,836**	20,034	**Y**
Ambulance handovers >30 minutes from arrival	**6,061**	6,992	**Y**
Ambulance handovers >60 minutes from arrival	**1,816**	1,904	**Y**
Referral to Treatment (RTT): total incomplete <18 weeks	**28,853**	23,574	**N**
Referral to Treatment (RTT): 92% incomplete pathways <18 weeks at specialty level	**65.16%**	74.92%	**N**
Referral to Treatment (RTT): incomplete >52 week waits at month end	**1,187**	4	**N**
Diagnostic waiting times: under six weeks from referral for test	**64.20%**	78.5%	**N**
Cancer: 2 weeks from urgent GP referral to 1st seen	**96.6%**	97.4%	**N**
Cancer: 2 weeks from urgent GP referral for breast symptoms to 1st seen	**96.8%**	94.9%	**Y**
Cancer: 31 days from diagnosis to first definitive treatment	**96.8%**	97.1%	**N**
Cancer: 31 days to subsequent treatment - surgery	**92.9%**	98.1%	**N**
Cancer: 31 days to subsequent treatment - drug	**99.6%**	99.7%	**N**
Cancer: 62 days from urgent GP referral to first definitive treatment	**67.9%**	65.1%	**Y**
Cancer: 62 days from referral from NHS screening service to first definitive treatment	**66.70%**	78.4%	**N**
Last minute cancelled operations (non-clinical reasons) not re-booked within 28 days	**93**	14	**N**

Financial performance

The Trust reported a £0.16 million surplus for the 2020/21 financial year which meant it met its Financial Control Total, and achieved its annual financial plan, for the second consecutive year. The Trust delivered Cost Improvement Programme savings of £10.5 million against a target of £10.4 million and this included £6.31 million in recurrent savings, which means that money will be saved in future years. Elsewhere in this report there is information about the Trust's capital plans. In 2020/21 the Trust spent £38.75 million on this work. To respond to the pandemic the Trust incurred £20.05 million in specific COVID-19 expenditure. Despite meeting its financial plan the underlying financial position of the Trust remains extremely challenging with an underlying deficit of £60.7 million.

Equality, Diversity and Inclusion statement

Introduction

The Trust aims to be an organisation that people want to access for high quality care and treatment. The Trust aims to be an organisation that people want to join and remain with as staff because it allows them to make their distinctive contributions and achieve their full potential. The Trust does not tolerate any form of intimidation, humiliation, harassment, bullying or abuse and will ensure that patients, staff, visitors and the public are treated fairly, with dignity and respect. Our aim is to break down all barriers of discrimination, prejudice, fear or misunderstanding, which can damage service effectiveness for service users and carers. The Trust is committed to compliance with the Public Sector Equality Duty as set out in the Equality Act 2010. The Trust will do this by eliminating unlawful discrimination, harassment and victimisation, have due regard to advancing equality of opportunity and foster good relations, for the relevant protected characteristics:

- Age
- Disability
- Gender re-assignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex / Gender
- Sexual Orientation

The Trust aims to ensure that its services and employment opportunities are equally accessible to other groups that are 'seldom heard'. These other groups could include the long term unemployed, sex workers, homeless groups; substance misusers; migrant workers; asylum seekers/refugees; but this list is not exhaustive. The Trust is committed to building a workforce which is valued and whose diversity reflects the community it serves, enabling it to deliver the best possible healthcare service to those communities. By addressing any inequalities in employment practices, the Trust seeks to deliver equitable services to all.

The Trust believes that unlawful discrimination is unacceptable and aims to ensure that all patients, applicants, employees, contractors, agency staff and visitors will receive appropriate treatment and will not be disadvantaged by conditions or requirements which cannot be shown to be justified.

This is particularly so on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation and trade union activity. To support this we have a dedicated Equality, Diversity and Inclusion Lead whose remit includes providing strategic and operational advice and guidance to the Trust's Management Team, its staff and other key stakeholders on all matters around equality, diversity and inclusion linked to patient care and workforce. The Equality and Diversity Strategy is in place and includes a number of Equality Objectives. These Equality Objectives are giving direction and supporting the organisation to move forward against the equality and diversity agenda.

The Equality Objective's Progress

Reporting and Governance

An internal reporting structure is now established to report progress against our equality objectives annually and to provide ad-hoc reports as required to meet legal and contractual needs. External reporting follows a similar pattern and an excellent relationship has now been developed with our commissioners. The Equality and Diversity Strategy is now in place and is providing an orderly structure to enable the delivery of our legal Public Sector Equality Duties and our contractual responsibilities. The Trust now has a Modern Day Slavery statement in place to meet the requirements under Section 54 of the Modern Day Slavery Act 2015. The Equality, Diversity and Inclusion function was audited by Audit Yorkshire the final report was published in February 2020. A number of actions for improvement were identified and these will be built into this year's action planning process.

A key theme of the actions required, relate to engaging with and identifying health inequalities within the communities we provide services too. The overall findings were that 'Significant Assurance' in that appropriate systems and processes are generally in place.

Implement the NHS Equality Delivery System 2 (EDS) within the Trust

The EDS 2 framework is still under review by NHS England and we are still waiting on the introduction of the new EDS 3 framework. Therefore a plan was agreed by the Trust Management Board and our commissioners to focus on two services. To use the EDS 2 framework to measure; quality of service, equality of access and patient experience when using our MRI scanning services and the Patient Advice Liaison Service. This model helps recognise that certain minority groups are more likely to experience inequalities when using NHS services. Some community members who would be able to represent and/or engage with a diverse range of communities were identified. A presentation was agreed but due to Covid 19 it was necessary to put this event on hold.

Treating patients, carers and colleagues with dignity and respect

Equality, Diversity and Inclusion statutory and mandatory training is delivered to staff using a workbook. However, ad hoc courses were delivered through the year to support staff and teams in a variety of areas such as, equality impact assessments, inclusive behaviours and accepting difference.

It has been recognised that 'Mentoring for Inclusion' would be a valuable asset to the organisation to support embedding equality into the wider organisation. Therefore, in partnership with the Yorkshire and Humber Regional Equalities Network two members of staff have received training. This approach has been used to support staff from minority groups.

Patient data

To help understand the diverse communities we serve in the North Lincolnshire, North East Lincolnshire, East Yorkshire and Lincolnshire areas a snap shot review of Public Health data has been undertaken for these areas. Preparatory work has taken place to ensure going forward we use this data working in partnership with our commissioners, again using the new EDS 3 model to identify potential health equalities and using a whole systems approach identify way to address them.

Report and deliver against workforce data

A report has been prepared which gives an overview of our workforce in terms of all the equality groups (protected characteristics). Going forward this will enable the Trust to analyse and review the data to ensure we are in a position to give 'due regard' to equality within our workforce.

The Workforce Race Equality Standard data was collected, analysed and an action plan for improvement developed. A report to reflect this information was approved by the Trust Board, and to meet our contractual requirements this information was published and shared with our commissioners.

The Workforce Disability Equality Standard data was collected, analysed and an action plan for improvement developed. A report to reflect this information was approved by the Trust Board, and to meet our contractual requirements this information was published and shared with our commissioners. The Gender Pay Gap data was collected, analysed and a report will be presented to Trust Board in April 2021, this will comply with our legal duty under the Equality Act 2010 - Specific Duties and Public Authorities - Regulations 2017.

Develop and grow staff Equality Support Networks

Due to the recognition that staff who belong to minority / seldom heard groups are more likely to experience poorer experiences at work. Links in training programmes have been established with the Pride and Respect Campaign. This year we celebrated; Black History Month, International Women's day and for the first time ever we unfurled the Rainbow flag at Grimsby, Scunthorpe and Goole hospitals to celebrate Pride Month.

A new approach is being used to reinvigorate our staff equality networks using Facebook and the use of virtual technology. Current equality networks are; multicultural and faith, LGBT+ and long-term conditions and people with caring responsibilities. In response to the disproportionate impact that Covid 19 appeared to have on Black Asian and Minority Ethnic (BAME) communities a fact highlighted by the NHS Chief People Officer and the Chair of NHS Improvement steps have been put in place to reassure BAME staff.

The Trust's Chief Executive and Acting Director of People and Organisational Effectiveness wrote to these staff, to explain that the Trust will do all that it can to ensure they feel as safe and as supported as possible during this difficult time.

Working in partnership with Black, Asian and Minority Ethnic (BAME) staff, health and safety, and infection control specialists a risk assessment pathway was developed. This risk assessment supports not just BAME staff but all staff who were potentially at an increased risk from Covid 19.

In addition, to support managers and staff in completing these risk assessments the services of an additional Occupational Health doctor resource were procured via our existing Occupational Health Service.

Further proposed actions

Looking ahead the Equality and Diversity Strategy and the Equality Objectives will continue to provide the organisational direction to move this challenging agenda forward.

Some key areas which are in the development stage include to:

- Build Equality, Diversity and Inclusion capacity to ensure we can effectively deliver against addressing inequalities especially, health inequalities in the communities which we provide services to.
- Engage with our key stakeholders - workforce, communities (especially seldom heard), commissioners and Healthwatch in preparation to refresh our equality objectives for 2022.
- Refresh and improve the quality of our equality impact assessment process and link this into the Trust's governance frameworks to ensure we are meeting our Public Sector Equality Duties.
- Enable the Trust to show 'due regard' to all equality groups by improving equality data collection, analysis and usage for both our workforce and patient's.
- Further develop and grow our staff equality networks and develop a mechanism for them to influence Trust decision making.
- Continue working as part of the Humber Acute Service Review communications group to ensure our diverse communities are effectively engaged and consulted with during any service changes.

Going concern

NHS Foundation Trusts are required to prepare their accounts in accordance with the relevant accounting rules, which are set out in the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as interpreted by the NHS Foundation Trust Annual Reporting Manual (ARM).

The requirement to prepare accounts on a going concern basis is set out in IAS 1: Presentation of Financial Statements which states: “An entity should prepare its financial statements on a going concern basis, unless:

- The entity is being liquidated or has ceased trading; or
- The directors have no realistic alternative but to liquidate the entity or to cease trading,

in which circumstances the entity may, if appropriate, prepare its financial statements on a basis other than going concern. When preparing financial statements, directors should assess whether there are significant doubts about the entity’s ability to continue as a going concern.”

Auditors will consider what the directors have done to satisfy themselves that the accounts should be prepared on a going concern basis.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable future.

For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury’s Financial Reporting Manual.

The Accountability Report

Directors' Report

This Director's report sets out how the Trust is run and the governance arrangements it has in place to ensure there is proper oversight and governance of the Trust's activities. The Trust has a Board which meets in public and the meetings are open to anyone who wants to attend. Details, including agenda and papers, are available on the Trust website. The Trust Board is made up of six non-executive directors (NEDs) including the Chair, and five executive directors, including the Chief Executive, and each member brings a variety of individual skills and experience. The Trust Board also has an associate NED, who is Vice Chair of the Hull University Teaching Hospitals (HUTH) NHS Trust.

The Trust also has a further four executive directors, none of whom have voting rights. Brief details of all the current NEDs and executive directors are available on the Trust website. NEDs are not employees of the Trust and are appointed to provide independent support and challenge to the Trust Board. All Board directors are required to comply with the Trust's Standards of Business Conduct, including declaration of any actual or potential conflict of interest, and the requirements of the Trust's Constitution.

Signature:

Chief Executive and Accountable Officer: Dr Peter Reading
Date: 11 June 2021

Board of Directors as at 31 March 2021

NON-EXECUTIVE DIRECTORS
Terry Moran CB, Chair
Linda Jackson, Vice Chair
Neil Gammon
Michael Proctor
Andrew Smith
Michael Whitworth
ASSOCIATE NON-EXECUTIVE DIRECTOR
Stuart Hall
EXECUTIVE DIRECTORS
Dr Peter Reading, Chief Executive
Lee Bond, Chief Financial Officer
Ellie Monkhouse, Chief Nurse
Shaun Stacey, Chief Operating Officer
Dr Kate Wood, Medical Director

NON-VOTING EXECUTIVE DIRECTORS
Christine Brereton, Director of People
Jug Johal, Director of Estates and Facilities
Shauna McMahon, Chief Information Officer
Ivan McConnell, Director of Strategic Development
ALSO ATTENDS TRUST BOARD
Adrian Beddow, Associate Director of Communications and Engagement
Helen Harris, Director of Corporate Governance

Directors who left the Trust in 2020/21

NON-EXECUTIVE DIRECTORS
Anthony Bramley
Sandra Hills
Jeffrey Ramseyer
EXECUTIVE DIRECTORS
Jayne Adamson, Director of People and Organisational Effectiveness (POE)
Wendy Booth, Trust Secretary
Marcus Hassall, Director of Finance
James Hayburn, Interim Director of Finance

Registers of interest

All Directors and Governors are required to declare their interests, including company directorships, on taking up appointment and, as appropriate, at Council of Governors and Board of Directors meetings to keep the register up to date.

The Register of Directors' Interests and the Register of Governors' Interests are available on the Trust website at www.nlg.nhs.uk

The Board of Directors considers the balance and breadth of skills and experience of its members to be appropriate with the needs of the Trust.

All NEDs are considered to be independent, meeting the criteria for impendence as laid out in NHS Improvement's Code of Governance.

NEDs are appointed and removed by the Council of Governors. A committee consisting of the Chair, the Chief Executive and the other NEDs appoints or removes the other executive directors.

The Chair of NLaG Terry Moran CB, is also the Chair of HUTH.

Balance of the Board

Non-executive directors (NEDs) are appointed to bring particular skills to the Board, ensuring the balance, completeness and appropriateness of the Board membership.

Operation of the Board

The Trust is run by a Board of Directors, comprising of a NED who is the chair, and five other NEDs, one Associate NED and five executive directors. The executive directors are the: Chief Executive; Chief Operating Officer; Chief Nurse; Medical Director; and Chief Financial Officer. The Director of Estates and Facilities, Director of People, Director of Strategic Development, Chief Information Officer, Director of Corporate Governance and the Associate Director of Communications and Engagement also attend Board meetings but cannot vote.

The Chief Executive leads the executive team and is accountable to the Board for the operational delivery of all the Trust's activities. The Chair of the Board is also the Chair of the Council of Governors (CoG). The NEDs scrutinise the performance of the executive management team in meeting agreed goals and objectives, and they receive adequate information to monitor the performance of the organisation.

The NEDs play a key role in taking a broad, strategic view, ensuring constructive challenge is made and supporting and scrutinising the performance of the executive directors while helping to develop proposals on strategy. The Board sets the Trust's strategic aims and provides active leadership of the Trust. It is collectively responsible for the exercise of its powers and the performance of the Trust, for ensuring compliance with the Trust's Provider Licence, relevant statutory requirements and contractual obligations, and for ensuring the quality and safety of services.

It does this through the approval of key policies and procedures, the annual plan and budget for the year, and the scheme for investment or disinvestment above the level of delegation. The Board meets bi-monthly and its role is to determine the overall corporate and strategic direction of the Trust and to ensure the delivery of the Trust's goals and targets.

The Board has agreed a scheme of reservation and delegation which sets out those decisions which must be taken by the Board and those which may be delegated to the executive or to board sub-committees. The Board of Directors has reserved powers to itself covering:

- Regulation and control
- The determination of board committees and membership
- Strategy, plans and budgets
- Policy determination
- Audit
- Annual report and accounts
- Performance monitoring.

The Board is also responsible for promoting effective dialogue between the organisation and the local community on its plans and performance, ensuring that the plans are responsive to the community's needs.

The Board receives feedback from Governors and members about the Trust, through attendance at meetings of the CoG and its sub-groups, direct face-to-face contact, surveys of members' opinions and consultations. The Board is also responsible for ensuring proper standards of corporate governance are maintained. The Board accounts for the performance of the Trust and consults on its future strategy with its members through the CoG.

The Board works closely with the Trust's CoG. The Trust Chair is also Chair of the CoG and works closely with the Lead Governor to review all relevant matters. The Chair, Chief Executive, Director of Corporate Governance and Membership Manager / Assistant Trust Secretary meet before each meeting of the CoG to set the agenda and review key issues. The non-executive and executive directors of the Board attend the CoG meetings and take part in open discussions for part of each meeting. Executive directors or their deputies, and NEDs, are assigned to, and are integral members of, each of the CoG sub-groups. Participation in each quarterly sub-group ensures an understanding of the views of the governors and consequently members of the public.

The Trust Constitution and the CoGs Engagement Policy details how disagreements between the Board of Directors and the Council of Governors will be resolved. Should a disagreement arise between the Board of Directors and the CoGs, such as would impair the decision-making process or the successful operation of the Trust, then the Chair shall convene a joint meeting of the two bodies to consider the issue in dispute.

Should this meeting not resolve the issue then the Chair has the authority to decide on behalf of the Trust. This decision, and the reasons supporting it, will be communicated in writing to all members of both the Board of Directors and the CoGs. This has not been required during the period April 1 2020 to March 31 2021.

The Board ensures that adequate systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of local healthcare delivery. The Trust Devolution Policy including Reservation of Powers to the Board and Scheme of Delegation details which types of decisions are to be taken by the Board, and which decisions are to be delegated to the management by the Board of Directors.

The Board of Directors also has powers to delegate and make arrangements to exercise any of its functions through a committee, sub-committee or joint committee. The Board of Directors keeps the performance of its committees under regular review and requires that each committee considers its performance and effectiveness during the year. The Trust has arranged appropriate insurance to cover the risk of legal action against its directors and is insured through the NHS Resolution

Operation of the Board during COVID-19 pressures

During the pandemic the Board decided to change the normal governance arrangements for some of the time so the executive directors and other senior managers had the time to focus on managing the Trust's pressures and priorities in what were unprecedented times.

For some of the year, therefore, the Trust changed some elements of its usual governance approach and these included:

- Suspending the bulk of CoG's activity. This included all non-essential meetings (which would include the sub-groups of the CoG), governor involvement in ward / department visits and governor elections.
- Reverting to monthly meetings of the Trust Board, limited to two hours and held remotely (via Teleconference) and in private. In the interests of openness and transparency and, in order to ensure that that the public interest continued to be served during this period, the following arrangements were put in place:
    - The Lead Governor was invited to attend the private Trust Board meetings during these periods. The agenda and notes of the meeting continued to be shared with Governors in accordance with the Trust Constitution and Standing Orders
    - Papers discussed at the Board were published unless they contained highly sensitive information which, exceptionally, in the judgement of the Trust Board may otherwise have created avoidable public alarm
    - A summary note of the outcome of the Trust Board discussions and decisions from each meeting was published on the Trust's website.
- Suspending the Trust Board sub-committees except for the Audit, Risk and Governance Committee, the Quality and Safety Committee and the new Ethics Committee, which was put in place during the pandemic. Chairs of the suspended sub-committees were asked to take the lead in ensuring a log was maintained of both matters deferred during this period and the relevant lead so that these matters can be appropriately followed up at a later date and matters which were dealt with via another route e.g. escalation directly to the Trust Board.
- Focusing on four key priorities during this period:
    - Our patient impacts: quality and safety issues and progress against relevant priorities including the Trust's response to the CQC 'must dos', and key risks arising with decisions required by the Trust Board
    - Our people impacts: resilience, safe staffing, absences, progress against relevant priorities, key risks arising and decisions required by the Trust Board;
    - Our financial impacts: progress against relevant priorities, key risks arising and decisions required by the Trust Board
    - COVID-19 planning and preparedness including key risks arising and decisions required by the Trust Board.

Vice Chair and Senior Independent Director

Good practice suggests that the Trust should have a Deputy or Vice Chair to stand in during any periods of absence of the Chair. NHS Improvement's guidance states that this should be a Council of Governors appointment although it would be expected that the Chair would make a recommendation to governors. Linda Jackson, a NED, is the Vice Chair and Senior Independent Director. The Trust Constitution makes provision for this. The Senior Independent Director is a NED appointed by the Board as a whole in consultation with the Council of Governors. The Senior Independent Director has a key role in supporting the Chair in leading the Board and acting as a sounding board and source of advice for the Chair and also leads the performance evaluation of the Chair.

Board meetings

Public board meetings are normally held every other month and follow a formal agenda which includes: an update from the Chief Executive; a patient story presented by the Trust's Patient Experience Practitioner; updates on the Trust's improvement plans; monthly capacity and capability on our wards; and minutes from sub-committees.

Non-Executive Directors

NEDs are appointed for a period of two or three years, this can be extended for a further period. Any term beyond six years is subject to rigorous review. Arrangements for the appointment and termination of NEDs are set out in the Trust Constitution, which states the Council of Governors (CoG) has the power to appoint and remove the Chair of the Trust and other NEDs. Removal can only happen if three quarters of CoG members approve the motion. The Board determines whether each NED is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could affect, the person's judgement. All the Trust NEDs are considered to be independent by the Board of Directors as per the Code of Governance for NHS Foundation Trusts.

As Chair of the Board of Directors the Chair is responsible for ensuring the Board's effectiveness and setting its agenda. As Chair of the CoG the Chair provides a pivotal link between Governors and Directors, especially the NEDs. Listening to the governors is one of the ways the Chair can hear the views of the local community. NEDs, including the Chair, Vice Chair and Senior Independent Director, are appointed by the CoG with the process being led by the Appointments and Remuneration Committee (ARC) for non-executive directors. The Chair, other NEDs, and the Chief Executive are responsible for deciding the appointment of executive directors. NEDs routinely attend the Trust Board meetings, the CoG and meet regularly with the Chair without executives present.

Evaluation of the Board/its committees/directors and Chair

Comprehensive arrangements are in place for reporting to the Trust Board on performance and key risks to future performance against a range of targets/contractual obligations and indicators. Risks in respect of compliance with other statutory requirements are escalated to the Trust Board via established governance and performance management frameworks including receipt by the Trust Board of the Board Assurance Framework and Risk Register reports. More urgent risk issues are escalated directly to the executive team and the Trust Board via the relevant executive director.

The Scheme of Delegation, which defines accountabilities for the delivery of performance, is monitored via the Trust's performance management framework led by the Chief Executive. The Board ensures that relevant metrics, measures, milestones and accountabilities are developed and agreed to understand and assess progress and delivery of performance.

The Trust Board receives assurance through a suite of financial and non-financial performance reports including the submission of an integrated performance report, which includes reporting on the Trust's annual priorities

The Trust undertakes an annual evaluation of the Board and its sub-committees. There is also a comprehensive Board Development Programme and the completion of a formal Board Well-Led review against the Well-Led Framework. The Trust has moved to bi-monthly meetings of the Trust Board, with the intervening months being used for board development activities, briefings on key risks topics and focussed discussion regarding future strategy.

An assessment of whether services are well led under NHS Improvement's well led framework was undertaken as part of the Trust's CQC inspection in September 2019. The CQC report changed its assessment of well-led from 'inadequate' to 'requires improvement'. The Board Development Programme, which was supported by Deloitte UK, includes specific sessions on well led.

Each of the Board sub-committees completes an annual review of effectiveness, and the outcome including agreed actions, are reported to the Trust Board. Arrangements are in place to enable appropriate review of the Board's balance, completeness and appropriateness to the requirements of the Trust including following the Well Led Review.

The Board is also satisfied that the Trust applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the Trust. In compliance with the Code of Governance for Foundation Trusts, no executive director holds more than one non-executive directorship of an NHS foundation trust or other organisation of comparable size and complexity.

Record of attendance at Trust Board meetings 2020/21

Board member	Possible	Actual
Terry Moran CB, Chair	7	7
Linda Jackson, Vice Chair	7	6
Tony Bramley, Non-Executive Director	6	6
Neil Gammon, Non-Executive Director	7	7
Sandra Hills, Non-Executive Director	3	3
Michael Proctor, Non-Executive Director	4	4
Jeff Ramseyer, Non-Executive Director	1	0
Andrew Smith, Non-Executive Director	4	4
Michael Whitworth, Non-Executive Director	7	7
Stuart Hall, Associate Non-Executive Director	7	6
Dr Peter Reading, Chief Executive	7	6
Lee Bond, Chief Financial Officer	4	4
Ellie Monkhouse, Chief Nurse	7	6
Shaun Stacey, Chief Operating Officer	7	6
Kate Wood, Medical Director	7	7
Jayne Adamson, Director of POE	1	0
Christine Brereton, Director of People	2	2
Claire Low, Acting Director of POE	6	5
Jug Johal, Director of Estates and Facilities	7	7
Shauna McMahon, Chief Information Officer	3	3
Ivan McConnell, Director of Strategic Development	7	7
Wendy Booth, Trust Secretary	1	1
Marcus Hassall, Director of Finance	4	0
James Hayburn, Interim Director of Finance	3	3
Helen Harris, Director of Corporate Governance	6	6
Adrian Beddow, Associate Director of Communications	7	7

Code of conduct for the Trust Board

All members of NHS Boards should undertake and commit to the practice of good governance and to the legal and regulatory frameworks in which they operate. As individuals they must understand both the extent and limitations of their personal responsibilities. To this end, in November 2012, the Professional Standards Authority (PSA) published new standards for members of NHS boards in England. The standards cover three domains: personal behaviour, technical competence and business practices, and puts compassion and respect at the heart of NHS leadership. The standards also aim to capture existing standards, codes and principles (the Nolan Principles) by which NHS Board members are currently bound. In May 2013 the Trust Board formally signed up to these standards on an ongoing basis. All Board directors meet the 'fit and proper persons' test as described in the provider license as confirmed annually by each individual director and collectively within the annual chairman's declaration to the Trust Board. The Trust Board has maintained its support of the Nolan Principles of public life and has continued to make the majority of its decisions at Board meetings held in public. To support this there is the Directors Code of Conduct, which applies to all directors and has been adopted by all Board members.

Assistance of Directors

The Trust Board and CoG are both provided with high-quality information appropriate to their respective functions and relevant to the decisions they must make. They receive assurance through a suite of financial and non-financial performance metrics including the integrated performance report and monthly finance report. The Board ensures that directors, especially NEDs, have access to independent professional advice, at the Trust's expense, where they judge it necessary to discharge their responsibilities or to provide additional assurance. New directors receive a full, formal and tailored induction on joining the Board. They also have access, at the Trust's expense, to training courses and/or materials that are consistent with their individual and collective development. Directors, governors and members are all supported by the Director of Corporate Governance and the Trust Membership Office.

Where directors have concerns that cannot be resolved about the running of the Trust or a proposed action, any concerns are recorded within the Trust Board minutes. Minutes of the Trust Board are comprehensive and are published in the public domain on the Trust's website. The Trust Board, and in particular the NEDs, may reasonably wish to challenge assurances received from the executive management team. The executive directors ensure, wherever possible, that the NEDs receive sufficient information and understanding to enable challenge and to take decisions on an informed basis. The Board minutes reflect any challenges of the executive management. There is also in place a schedule of NED challenge roles whereby individual non-executives provide challenge in respect of specific areas of risk.

Board committees

The Board has established six sub-committees which support the discharging of the Board's responsibilities. In addition to meeting the statutory requirements of having an Audit, Risk and Governance Committee and Remuneration and Terms of Service Committee, the Trust also has a Finance and Performance Committee, Quality and Safety Committee, a Workforce Committee and a Charitable Funds Committee (known as the Health Tree Foundation Trustees Committee). At the beginning of the COVID-19 pandemic, the Trust set up an Ethics Committee. Minutes of the sub-committees are presented to the Trust Board alongside a report which provides escalation of issues and concerns which the sub-committee decides should be highlighted. Each sub-committee comes under the remit of an executive director and is chaired by a NED. Appropriate resources are allocated to ensure these sub-committees can undertake their duties.

Arising from the Well led Review commissioned by the Trust during 2017/18, changes have been made to the Trust's meeting structures (including the Board assurance sub-committees) to provide clear reporting lines and separation of management decision making from assurance. As at March 31 2021, the current sub-committee structure is set out on the following pages.

Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee is a standing committee of the Board of Directors. Its remit 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 Committee meets five times each year. Its three members are appointed by the Board of Directors from among the Non-Executive Directors. Minutes of Committee's meetings are submitted to the Board of Directors and the Council of Governors.

Internal Audit services are provided by Audit Yorkshire who commenced on 1 June 2018, following a competitive procurement exercise in early 2018. Audit Yorkshire was appointed for an initial period of three years with the option to extend for a further year. Internal Audit provides an independent and objective opinion on the extent to which risk management, controls and governance arrangements support the effective operation of the Trust.

The Head of Internal Audit produces an annual audit opinion on the effectiveness of the system of internal control. The Head of Internal Audit and/or the Internal Audit Manager for the Trust will normally attend Audit, Risk and Governance Committee meetings and has a right of access to all Audit, Risk and Governance Committee members, the Chair and Chief Executive of the Trust. The Head of Internal Audit is accountable to the Chief Financial Officer.

Throughout 2020/21, the Committee received progress reports from internal audit on the planned work for the year, and the outcome of the individual reviews performed with associated recommendations. The annual Head of Internal Audit Opinion, which forms part of the Annual Governance Statement, contains details of high-risk recommendations made during the year.

The Committee monitors the implementation of all internal audit recommendations and receives reports at each meeting to monitor progress on agreed actions. No reviews performed by Internal Audit resulted in a 'low assurance' rating.

The Trust's external auditor is Mazars who commenced in September 2019 following a competitive tendering exercise. Representatives of the Audit, Risk and Governance Committee acted as advisors to the Council of Governors in relation this tendering exercise.

The Council of Governors convened a sub-committee to oversee the process and make a recommendation to the full Council of Governors. Mazars was appointed for a period of three years with the option to extend for a further year. The Audit, Risk and Governance Committee assessed the effectiveness of its External Auditor through the mini-tendering exercise conducted.

Thereafter an annual review of effectiveness is performed. The value of external audit services is disclosed in the Trust's financial statements (note 5) and is circa £93k per annum.

The Committee received and reviewed the draft financial statements and the audited accounts, as well as the Annual Governance Statement. Like all NHS Trust's we are obliged to review the basic accounting policy of 'going concern'. The Audit, Risk and Governance Committee, as part of the annual accounts' preparation, reviewed this issue and agreed that this was not a matter to change. Note 1.1.2 of the financial statements refer to the accounts being prepared on a going concern basis and the Audit, Risk and Governance Committee endorsed this as appropriate.

There is a policy for the engagement of the external auditor for non-audit work to safeguard objectivity and independence. The value of any non-audit services is routinely disclosed in the Trust's financial statements at note 5.1, but there was no such work performed by Mazars during 2020/21.

Each year, the Committee reviews its own effectiveness in line with the latest NHS Audit Committee Handbook (HFMA, 2018). A review of the Committee's terms of reference was undertaken to assess whether they remain fit for purpose, and as a result only minor changes were approved by the Board of Directors in February 2021.

Prior to this however, in light of COVID-19 and in order to future proof the Committee's terms of reference during periods of potentially significant disruption to service delivery, additional provisions were drafted as an annex to the existing terms of reference which may only come into force at the explicit discretion of the Trust Board. These provisions were approved by the Board of Directors in August 2020.

In line with the Foundation Trust Code of Governance, the Committee also has a role in reviewing the organisation's arrangements for staff and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.

In order to discharge this function the Audit, Risk and Governance Committee has received periodic updates from the Trust's Freedom to Speak Up Guardian, most recently in October 2020.

Schedule of Attendance at Audit, Risk and Governance Committee meetings 2020/21

Member / Attendee	Apr-20	Jun-20	Jul-20	Oct-20	Jan-21
Members:					
Tony Bramley – NED / Chair (up to and including January 2021)	Y	Y	Y	Y	Y
Michael Whitworth – NED / Deputy Chair	Y	Y	Y	Y	Y
Neil Gammon – NED	Y	Y	N	N	Y
Associate Members (not forming part of quorum):					
Stuart Hall – Associate NED, NLAG / Vice Chair, HUTH	-	Y	Y	Y	Y
Andrew Smith – Associate NED	-	-	-	Y	Y
Regular Attendees:					
Jim Hayburn – Interim Director of Finance (to September 2020)	Y	Y	Y	-	-
Lee Bond – Chief Financial Officer (from October 2020)	-	-	-	N[3]	Y
Wendy Booth –Trust Secretary (to May 2020)	Y	-	-	-	-
Helen Harris – Trust Secretary (from June 2020)	-	Y	Y	Y	Y
Sally Stevenson - Asst. DoF – Compliance and Counter Fraud	N	Y	Y	Y	Y
Nicki Foley – Local Counter Fraud Specialist	Y	N/A[2]	Y	Y	Y
Data Protection Officer and Lead for IT (SM)	N[1]	N/A[2]	Y	Y	Y
Head of Procurement (IP)	N[1]	N/A[2]	Y	Y	Y
Internal Audit	Y	Y	Y	Y	Y
External Audit	Y	Y	Y	Y	Y
Ad-hoc Attendees:					
Assistant Director of Finance – Process and Control	Y	Y	-	-	Y
Chief Executive (PR)	-	Y	-	-	
EPR and Business Continuity Manager (GJ)	-	-	Y	-	-
Associate Director of Quality Governance (AL)	-	-	Y	-	-
Deputy Director of Estates and Facilities (ST)	-	-	Y	-	-
Membership Manager (AH)	-	-	Y	Y	Y
Freedom to Speak Up Guardian (LH)	-	-	-	Y	-
Deputy Director of Finance (BS)	-	-	-	Y	-
Chief Information Officer (SM)	-	-	-	-	Y
Associate Director of IMT (SM)	-	-	-	-	Y
IT Data Security Manager (TF)	-	-	-	-	Y
Lead Governor (RP)	-	-	-	-	Y

Notes:

[1]Not required to attend due to COVID-19

[2]Not required to attend, Final Accounts meeting only

[3]Brian Shipley, Deputy Director of Finance, attended in the absence of Lee Bond, Chief Financial Officer

Quality and Safety Committee

This committee was established as a formal sub-committee of the Trust Board. Its purpose is to provide assurance to the Board all aspects of the delivery of safe, personal and effective care are being appropriately governed and the evidence to support that assurance is scrutinised in detail on behalf of the Board. Its membership includes: three non-executive directors, the Chief Operating Officer, Medical Director and Chief Nurse.

Finance and Performance Committee

This committee was established as a formal sub-committee of the Trust Board. It submits copies of its minutes for inclusion on the Trust Board agenda, and significant issues are escalated to the Trust Board via a 'highlight' report.

Its core membership includes three non-executive directors, the Chief Operating Officer and Chief Financial Officer. Its remit includes:

- Reviewing the annual and longer-term financial plans, for revenue, capital and cash management, in line with the Trust's business planning cycle and obtaining assurance they are fit for purpose
- Reviewing the agreement of service contracts to secure Trust income
- Providing assurance to the Trust Board that appropriate budgetary control arrangements are in place to monitor and deliver annual financial plans
- Reviewing the Trust's performance against its annual financial plan and budgets, and monitoring any necessary corrective action plans, highlighting any significant concerns to the Trust Board.

Remuneration and Terms of Service Committee

This committee was established as a formal sub-committee of the Trust Board. It reviews and approves leadership needs and succession planning to ensure the Trust can fulfil its own strategic and statutory requirements for the two levels below the executive level. It reviews and approves the overall structure of the executive team in terms of structure, size, skills, knowledge, experience and diversity.

It also reviews and agrees on the remuneration of senior directors and commissions recruitment exercises to fill any vacancies amongst the executive team. It reports to the Trust Board through updates provided to the non-executive directors by the Trust Chair and the CoG and members of the public through a committee and remuneration report included as part of the Trust's statutory annual report and accounts.

Its membership is made up of three non-executive directors who are appointed by the Board. The Chief Executive and Director of People attend as and when the agenda dictates they should. The Trust Secretary attends all meetings.

The above officers of the Trust remove themselves from the committee when their own remuneration or performance is discussed.

Workforce Committee

The specific objective of the Workforce Committee is to ensure risks pertaining to the strategy and transactions of workforce and organisational development are identified and managed. The committee's specific objectives include:

- To provide a positive working environment for staff and to promote supportive and open cultures that help staff do their job to the best of their ability
- To provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference
- To provide all staff with personal development, access to appropriate education and training for their jobs, and line management support to enable them to fulfil their potential
- To provide opportunities for staff to maintain their health, wellbeing and safety
- To promote staff involvement in research to improve patient care
- To promote the delivery of quality education by and for all staff

Health Tree Foundation Trustees Committee

This committee is a formal sub-committee of the Trust Board, under the Trust Constitution Part IV Section 6.8 d. Its membership is appointed by the Board from among the non-executive and executive directors. The committee consists of these voting members: a Chair, three NEDs, Chief Executive, Medical Director, Chief Nurse, and Chief Financial Officer. It oversees and manages the affairs of the Trust's charitable funds, the working name of which is The Health Tree Foundation. The committee ensures the charity acts within the terms of its declaration of trust, and all appropriate legislation on behalf of the Trust Board as the corporate trustee.

Donations

As an NHS foundation trust, the Trust makes no political or charitable donations. It has set up its own charity – The Health Tree Foundation (HTF, see above) – and it continues to benefit from charitable donations received. In 2020/21 HTF managed the flood of donations which the local public and businesses provided to help staff cope with the pandemic. More detail about this is set out later in the Annual Report.

Income disclosures to auditors

The directors confirm that, as required by the Health and Social Care Act 2012, the income that the Trust has received from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes. The Trust has processes in place to ensure that this statutory requirement will be met in future years. The directors also confirm that the provision of goods and services for any other purposes are not materially impacted on our provision of goods and services for the purposes of the health service in England.

Cost allocation and charging

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

Better Payment Practice Code

The Trust's measure of performance in paying suppliers is the Better Payment Practice Code (BPPC). The code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

	2020/21		2019/20	
	Number	£000	Number	£000
Total Non -NHS trade invoices paid in the year	**86,539**	**223,909**	92,527	201,165
Total Non-NHS trade invoices paid within target	**54,655**	**173,301**	23,388	48,170
Percentage of Non-NHS trade invoices paid within target	**63%**	**77%**	25%	24%
Total NHS trade invoices paid in the year	**2,962**	**26,435**	3,199	22,069
Total NHS trade invoices paid within target	**1,627**	**20,815**	486	12,669
Percentage of NHS trade invoices paid within target	**55%**	**79%**	15%	57%

Statement as to disclosures to auditors

So far as each director is aware, there is no relevant audit information of which the NHS foundation trust's auditor is unaware and they have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust auditor is aware of that information. 'Relevant audit information' means information needed by the NHS foundation trust's auditor in connection with preparing their report. A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above, and:

- Made such enquiries of his/her fellow directors and of the company's auditor for that purpose; and
- Taken such other steps (if any) for that purpose, as are required by his/her as a director of the company to exercise reasonable care, skill and diligence.

NHS Improvement's well-led framework

The Trust's rating for well-led from the Care Quality Commission improved from 'inadequate' to 'requires improvement' following the last inspection in September 2019. The Annual Governance Statement later in this section of the Annual Report sets out in more detail how leadership and accountability is monitored by the Trust and its directors. During the course of the financial year, in March 2021 Becky Southall, a Quality Governance Lead and Freedom to Speak Up Guardian from NHS England and NHS Improvement, provided the Trust Board with a session on well-led which led to the Board doing further work on its risk appetite statement, Integrated Performance Report and Board Assurance Framework.

Trust Board approach to clinical governance

The Trust adheres to the Code of Governance for Foundation Trusts and the Board is satisfied that the Trust applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.

The effectiveness of the Trust governance arrangements continued to be tested during 2020/21 via internal and external testing including internally via the annual internal audit programme. An improvement plan is in place and ongoing in response to the findings and recommendations arising from that review including agreed support. Quality and patient safety are both monitored through assurance to the Quality and Safety Committee, a sub-committee of the Trust Board, and the Quality Governance Group. Clinical governance comes under the remit of the Medical Director, in close collaboration with the Chief Nurse, and supported by the deputy medical directors and an Associate Director for Quality Governance.

The Trust is committed to improving safety and the Associate Director of Quality Governance is the Trust Patient Safety Specialist as per the National Patient Safety Strategy, and has launched a Learning Strategy to support the work on Patient Safety. The Trust ensures there is regular reporting to and dialogue with NHS Improvement, with a Quality Board led by NHS England and NHS Improvement.

Work strengthening divisional governance continues, with an emphasis on specialty governance. The Divisional Clinical Directors have authority and responsibility for quality, the use of resources (including staffing and finances), performance and governance. The Chief Executive, as the Accountable Officer for the Trust, follows the procedures set out by NHS Improvement in advising the Board and the Council of Governors and for recording and submitting objections to decisions.

Stakeholder relations

More and more collaborative working is seen as crucial to delivering healthcare to local communities, especially in responding the consequences of the coronavirus pandemic. The Trust always tries to work in an open and honest way and it has a genuine desire to listen and act on feedback to improve services and our patients' experience.

The Trust works with numerous partners in the local 'health and care community' to continually progress services. These include GPs, community healthcare providers, social care providers, charities, ambulance services, mental health providers, local health Overview and Scrutiny Committees (OSCs) and the Clinical Commissioning Groups (CCGs) across the Trust's population footprint.

In 2020/21 the Trust continued to work in partnership as part of the Humber Coast and Vale Integrated Care System (ICS) which was formally constituted on 1 April 2020. Within the ICS the Trust is working particularly with Hull University Teaching Hospitals (HUTH, formerly Hull and East Yorkshire Hospitals) on several transformation programmes to improve acute hospital services across the Humber area.

This work is now led by Ivan McConnell, the Programme Director, and in 2020/21 progress was made on the development and agreement on a much revised and strengthened governance and programme structure, as well as detailed work on key aspects of the clinical modelling.

Stakeholders have been updated on this work through regular briefing sessions run in conjunction with local CCGs. Due to the pandemic and social distancing requirements many of these sessions were held virtually and/or written updates were provided. Over the course of the year briefings and updates have been provided to: the Trust's Council of Governors; East Riding of Yorkshire OSC; North Lincolnshire ack from the public on what most matters to them when thinking about accessing local healthcare.

Throughout the year the Chief Executive has regularly briefed local Members of Parliament (MPs) on what is happening within the trust, particularly regarding the impact of the pandemic on services and staff.

Members of the Trust executive team also discussed other matters with local OSCs including the Trust's on-going response to its latest CQC report, which was published in February 2020, the Trust's management of the COVID-19 pandemic, capital plans and updates on some service changes.

The Trust also worked with North East Lincolnshire CCG on a few public events to update residents on local healthcare. These sessions focused mainly on the pandemic but also covered the Trust's capital plans and issues like waiting lists and car parking. The Trust also ran a series of events to inform people living near to both Diana Princess of Wales Hospital and Scunthorpe General Hospital about plans to build new emergency departments on the sites.

Patient engagement and complaints management

The Trust has faced an unprecedented year, as the COVID-19 pandemic resulted in the prioritisation of safe care and treatment of our patients under extreme circumstances. Many regulated patient experience systems were paused for much of the year to enable front line staff to undertake their roles, including the collection of Friends and Family Test data, local survey programmes and patient engagement opportunities.

Despite this there has been continued progress to ensure the voice of our patients, carers and families was recognised and acted on. Direct feedback from families ensured that the Trust had one of the most responsive pandemic visiting guidance policies during the last year. From very early into the pandemic the ability to enable risk-based visiting for patients who were at end of life or considered vulnerable was supported across the Trust.

To ensure that communication between patients and families was maintained 90 new electronic tablets were purchased, with support from our local communities and partner charity organisation, the Health Tree Foundation.

These enabled the increased patient experience team to support video calls, providing a vital link at such a difficult time. To further support communication an additional patient experience inbox was created to receive messages and pictures from families. Our chaplaincy service ran a card project; to hand deliver personal family messages in a card to improve the experience of care.

A central patient helpline was also launched to support families seeking updates from wards, as wards prioritised care delivery and were not always able to answer telephones. This enabled the team to help over 500 enquiry calls in the first four months.

The Patient Experience Feedback team have worked throughout the pandemic to gather patient feedback through the Trust local INSIGHT survey programme, when able, or through daily contact with patients and families. This intelligence was then received by the Trust's Patient Experience Group. This group was restructured to ensure responsive actions to patient experience issues during the pandemic period.

The Trust Patient Panel managed to meet virtually and co design a "Keeping in Touch during Covid" leaflet for ambulance teams to leave with families of those patients on acute attendances. The panel continue to actively support the quality of patient information leaflets and are also supporting the review of the Trust website in the coming year.

It is our intention to complete a full review of Patient and Public involvement throughout the Trust. The Trust continues to participate in the engagement work across services through the Humber Acute Services programme. The patient and public voice is integrated into this work and the commitment to supporting activities to hear those voices remains a priority, be that through the delivery of surveys, central events or specific pathway discussions.

As the Covid pandemic restrictions have changed nationally the Trust was able to re-launch the Friends and Family Test feedback system at the latter end of 2020.This offers increased accessibility for patients to feedback, the ability to identify areas for improvement and close the feedback loop by sharing change with the public.

The review of the complaints process was completed over the last year, seeing a new process now fully implemented. This change has seen a big improvement in the management of formal complaint timescales with over 80% of all current open complaints now with timescale.

The quality of responses is a continued priority with clear learning now embedded in upheld complaint responses. Communication has been the main theme arising from both PALs concerns and formal complaints, which have driven some of the patient experience work, highlighted earlier, and will feature as a priority in the Patient Experience Strategy for 2021.

Governors' Report

Council of Governors

As a foundation trust, the Trust has a Council of Governors (CoG). The Board of the Trust is directly responsible for the performance and success of the Trust and satisfying the CoG that the Board is achieving its aims and fulfilling its statutory obligations. Governors act as a link to the local community and report matters of concern raised with them, to the Board, via their quarterly CoG meetings.

It receives and considers all appropriate information required to enable it to discharge its duties and is provided with high-quality information appropriate to its function and relevant to the decisions it has to make.

Role of Governors

The CoG has several statutory roles and responsibilities, which are set out in a document called the Trust Constitution. These are:

- Appoint and, if appropriate, remove the Chair
- Appoint, and if appropriate, remove the other Non-Executive Directors
- Decide the remuneration and other terms and conditions of office of the Chair and other Non-Executive Directors
- Approve (or not) the new appointment of a Chief Executive
- Approve, and if appropriate, remove the Trust's auditor
- Receive the Trust's Annual Report and Accounts at a general meeting of the CoG
- Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors
- Represent the interests of the members of the Trust, and public
- Approve Significant Transactions as defined by NHSE/I guidance
- Approve an application by the Trust to enter a merger or acquisition
- Approve amendments to the Trust's Constitution.

The Council takes the lead in agreeing with the Audit, Risk and Governance Committee the criteria for appointing, re-appointing and removing external auditors. When the council ends an external auditor's appointment in disputed circumstances, the Chair will write to NHS England and NHS Improvement informing it of the reasons behind the decision.

There is a clear policy and a fair process, agreed and adopted by the Council, for the removal of any Governor who consistently and unjustifiable fails to attend the meetings of the Council or has an actual, or potential conflict of interest, which prevents proper exercise of their duties.

Members of the Council of Governors during 2020/21

Name	Initial date elected	Date re-elected	Term of office	Term of office ends	Date of retirement	Political party
Public governors – East and West Lindsey						
Jeremy Baskett	19.04.16	21.03.19	3 years	21.03.22	-	
Gorajala Vijayasimhulu	24.04.19	-	3 years	24.04.22	-	
Public Governors - Goole and Howdenshire						
Tony Burndred	24.04.19	-	3 years	24.04.22	-	
Rob Pickersgill	03.12.15	16.11.18	3 years	16.11.21	-	
Stephen Price	25.10.19	-	2 years	16.11.21	-	
Public Governors – North East Lincolnshire						
Diana Barnes	22.10.19	-	3 years	22.10.22	-	
Brian Page	03.12.15	27.11.18	3 years	27.11.21	-	
Ian Reekie	16.11.18	-	3 years	16.11.21	-	
Liz Stones	23.11.11	13.10.20	3 years	13.10.23	-	
Vacancy						
Public Governors – North Lincolnshire						
Kevin Allen	13.10.20		3 years	13.10.23	-	
John Balderson	16.11.18	-	3 years	16.11.21	10.09.20	
David Cuckson	13.10.20		3 years	13.10.23	-	
Maureen Dobson	28.11.07	25.10.19	3 years	25.10.22	-	
Vincent Garrington	24.04.19	-	3 years	24.04.22	-	
Paul Grinell	04.11.09	16.11.18	3 years	16.11.21	-	

Members of the Council of Governors during 2020/21 continued

Name	Initial date elected	Date re-elected	Termof office	Term of office ends	Date of retirement	Political party
Staff Governors						
Ahmed Aftab	13.10.20		3 years	13.10.23		
Andrew Karvot	16.11.18	-	3 years	16.11.21	31.07.20	
Tim Mawson	21.10.14	28.07.20	3 years	13.10.23	-	
Joanne Nejrup	13.10.20		3 years	13.10.23		
Tony Whyte	28.07.14	28.07.17	3 years	28.07.20	28.07.20	
Stakeholder governors						
Cllr Anne Handley – East Riding of Yorkshire Council	21.11.19	-	3 years	21.11.22	03.12.20	Conservative
Cllr Barbara Jeffreys – East Riding of Yorkshire Council	12.02.21		3 years	12.02.24	-	Independent
Eddie McCabe – North East Lincolnshire CCG	19.04.16	19.04.19	3 years	19.04.22	-	
Alex Seale – North Lincolnshire CCG	29.11.18	-	3 years	29.11.21	-	
Cllr Stan Shreeve - North East Lincolnshire Council	21.05.19	-	3 years	21.05.22	-	Conservative
Vacancy – Hull York Medical School						
Vacancy – North Lincolnshire Council						

Composition of the CoG and CoG meetings

The CoG comprises of the following constituencies:

Elected Public Governors

The CoG has 15 Governors elected from its membership that represent the four main catchment areas of the Trust. Public Governors are elected from within local authority areas. The number of Governors for each constituency is in proportion to the population within the area using NLaG services, as detailed below:

Area	Number
North Lincolnshire	Five
North East Lincolnshire	Five
Goole and Howdenshire	Three
East and West Lindsey	Two

Elected Staff Governors

There are four staff Governors who are elected by staff members.

Appointed Stakeholder Governors

The Trust has a further seven stakeholder Governors seats who are appointed by local partners or stakeholder organisations.

Annual elections ending October 2020

The Annual Governor elections were held in October 2020, as a result of two governors reaching the end of their term of office and one governor resigning. The results of the election were that one public governor was re-elected for a term of three years for North East Lincolnshire, two new public governors were elected for a term of three years for North Lincolnshire, one staff governor was re-elected with an additional two new staff governors elected all for a period of three years.

Council of Governor meetings

The Council of Governors meets sufficiently regularly to discharge its duties. During the year April 1 2020 to March 31 2021 attendance at meetings was as follows:

Council of Governor meetings (all held virtually)										
	Business	Private	AnnualReview	Business	Annual Members' Meeting	Business	Business	Private	Business	
Name	**07/05**	**07/05**	**30/06**	**22/07**	**30/09**	**30/09**	**15/10**	**15/10**	**19/01**	
Public Governors – East and West Lindsey										
Jeremy Baskett	P	A	P	P	P	P	P	A	P	7/9
Gorajala Vijayasimhulu	P	P	P	P	P	P	P	P	A	8/9
Public Governors – Goole and Howdenshire										
Tony Burndred	P	P	P	P	P	P	P	P	A	8/9
Rob Pickersgill	P	P	P	P	P	P	P	P	P	9/9
Stephen Price	A	A	P	P	P	P	P	P	A	6/9
Public Governors – North East Lincolnshire										
Diana Barnes	P	A	P	P	P	P	P	P	A	7/9
Brian Page	P	P	P	P	P	P	P	P	P	9/9
Ian Reekie	P	P	P	P	P	P	P	P	P	9/9
Liz Stones	P	P	P	P	P	P	P	P	A	8/9
Public Governors – North Lincolnshire										
Kevin Allen							P	P	P	3/3
John Balderson	A	A	A	A						0/4
David Cuckson							P	P	A	2/3
Maureen Dobson	P	P	P	P	P	P	P	P	P	9/9
Vince Garrington	P	P	P	A	A	A	P	P	P	6/9
Paul Grinell	P	P	P	P	P	P	P	P	P	9/9

KEY: A – Absent P – Present

Council of Governor meetings - attendance continued

Council of Governor meetings (all held virtually)										
	Business	Private	Annual Review	Business	Annual Members Meeting	Business	Business	Private	Business	
Name	**07/05**	**07/05**	**30/06**	**22/07**	**30/09**	**30/09**	**15/10**	**15/10**	**19/01**	
Staff Governors										
Andrew Karvot	P	P	P	P						4/4
Tim Mawson	P	P	P	A	P	P	P	P	A	7/9
Joanne Nejrup								P	A	1/2
Tony Whyte	A	A	A	A						0/4
Stakeholder Governors										
Cllr Anne Handley – ERY Council	A	A	A	P						1/4
Eddie McCabe –NEL CCG	P	P	A	P	P	P	P	P	P	8/9
Alex Seale –NL CCG	A	A	A	A	A	A	A	A	A	0/9
Cllr Stan Shreeve - NEL Council	P	P	P	P	P	P	P	P	P	9/9

KEY:
A – Absent
P – Present
CCG – Clinical Commissioning Group
NL – North Lincolnshire
NEL – North East Lincolnshire
ERY – East Riding of Yorkshire

During the year April 1 2020 to March 31 2021 attendance by Non-Executive Directors (NED) and Directors at the Council of Governor meetings (held virtually) was as follows:

	Business	Private	AnnualReview	Business	Annual Members Meeting	Business	Business	Private	Business	
Name	**07/05**	**07/05**	**30/06**	**22/07**	**30/09**	**30/09**	**15/10**	**15/10**	**19/01**	
Terry Moran CB - Trust Chair	**P**	**A***	**P**	**A***	**A***	**A***	**P**	**P**	**P**	5/9
Linda Jackson - Vice Chair	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	9/9
Peter Reading - Chief Executive	**P**	**P**	**A**	**A**	**P**	**P**	**P**	**P**	**P**	7/9
Jayne Adamson - Director of People and Organisational Effectiveness (POE)	**A***	**A***								0/2
Lee Bond – Chief Financial Officer						**P**	**P**	**P**	**P**	4/4
Wendy Booth - Trust Secretary	**P**	**P**								2/2
Christine Brereton - Director of People									**P**	1/1
Helen Harris - Trust Secretary			**P**	**P**	**P**	**P**	**P**	**P**	**P**	7/7
James Hayburn - Interim Director of Finance	**P**	**P**		**P**	**P**	**P**				5/5
Jug Johal - Director of Estates and Facilities	**P**	**P**		**P**	**P**	**P**	**P**	**P**	**P**	8/8
Claire Low – Acting Director of POE	**P**	**P**		**P**	**A***	**A***	**P**	**P**	**P**	6/8
Ivan McConnell Director of Strategy	**P**	**P**		**P**	**P**	**P**	**P**	**P**	**P**	8/8
Shauna McMahon Chief Information Officer									**P**	1/1
Ellie Monkhouse - Chief Nurse	**P**	**A***		**A***	**A***	**A***	**A***	**A***	**A***	1/8
Shaun Stacey – Chief Operating Officer	**P**	**P**		**A***	**A***	**A***	**A***	**A***	**P**	3/8
Kate Wood - Medical Director	**P**	**P**		**P**	**P**	**P**	**P**	**P**	**P**	8/8

Attendance by Non-Executive Directors (NED) and Directors at the Council of Governor meetings continued:

	Business	Private	AnnualReview	Business	Annual Members Meeting	Business	Business	Private	Business	
Name	**07/05**	**07/05**	**30/06**	**22/07**	**30/09**	**30/09**	**15/10**	**15/10**	**19/01**	
Anthony Bramley	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	9/9
Neil Gammon	**P**	**P**	**P**	**A***	**P**	**A***	**A***	**P**	**P**	6/9
Stuart Hall			**P**	**P**	**P**	**P**	**P**	**P**	**P**	7/7
Sandra Hills - Senior Independent Director	**A***	**A***	**P**	**P**	**A***	**A***				2/6
Mike Proctor					**P**	**P**	**P**	**P**	**P**	5/5
Jeffrey Ramseyer	**A***	**A***								0/2
Andrew Smith							**P**	**P**	**P**	3/3
Michael Whitworth	**A***	**A***	**A***	**P**	**P**	**P**	**P**	**P**	**P**	6/9

KEY: A* - Absent with representative attending; A – Absent; P – Present

Lead Governor

NHS Improvement (NHSI) requires that a CoG elects a Lead Governor to be the primary link with the Foundation Trust. A Lead Governor is elected by the full Council and would also be the formal link to NHSI if circumstances required direct communication between the CoG and the regulator. Ian Reekie, a public Governor for North East Lincolnshire was elected as Lead Governor from October 19, 2020.

Governor engagement

There are typically four CoG business meetings and a CoG Annual Members' Meeting held in public each year. The Governors invite members of the Trust Board to attend to update them on specific items and each meeting includes reports from Governors, the Chair and from the Board. A review of the collective performance of the CoG is held annually in June and members of the Board of Directors are invited to attend and support this process. The review is led by the Trust Chair, supported by the Trust Secretary and Membership Manager and Assistant Trust Secretary, and utilises a framework document that incorporates NHS Improvement's Code of Governance. This meeting was held on June 30, 2020.

The CoG has an active and vibrant working group called the Governor Assurance Group which has incorporated the Membership & Patient Engagement Group, Quality Review Group and Staff Governor Working Group. In addition to this, Governors also have an Appointments and Remuneration sub-committee. NHS Improvement requires foundation trusts to provide forward planning for each financial year, prepared by the Board of Directors. Governors are consulted on the development of these plans and can input views from the members they represent. Governors are supported and involved in many aspects of the Trust including undertaking Patient Led Assessments of the Care Environment (PLACE) visits, along with 15 Step Ward Reviews and assist in the preparation of Care Quality Commission (CQC) Inspections by undertaking 'mock inspections' with members of staff. However, these have been on hold due to the COVID-19 pandemic and restricted governance arrangements. These are due to recommence from mid-2021.

The Chair offers Governors one-to-one meetings and invites to take up these opportunities, along with undertaking the Annual Developmental Governor Reviews, where they are encouraged to attend Trust Board meetings. During the course of the year governors have also received Governor and Non-Executive Director briefings and training sessions, with or without the Executive Directors in attendance, where they receive detailed updates and are able to discuss matters amongst themselves.

Five such briefings were held during 2020/2021 on topical health matters which included:

- Finance briefing including:
    - Business planning
    - Five-year strategy
- Our Patients Impacts
- Our People Impacts
- Our Financial Impacts
- Trust Capital Programme
- Care Quality Commission updates
- Quality Priorities
- Humber Acute Services
- Interim Clinical Plan
- Recovery Plan Post COVID-19 and Risks
- Trust's Clinical Strategy
- Integrated digital health record
- Health Tree Foundation

Governors supported a series of virtual public engagement events; however, the usual drop-in sessions were on hold due to the COVID-19 pandemic and restricted governance arrangements. These are planned to be re-instated as of mid-2021. They also utilised the Trust, membership portal website, news releases, posters and e-mails to communicate with members. Governors would usually also support various member recruitment events which were also deferred due to the COVID-19 pandemic and restricted governance arrangements. These are due to recommence from mid-2021.

Holding the Non-Executive Directors to account for the performance of the Trust Board

Governors have an important role in making an NHS Foundation Trust accountable for the services it provides. They bring valuable perspectives and contributions to its activities. Governors are expected to hold Non-Executive Directors to account for the performance of the Trust Board of Directors and the following sets out the principles of how Governors discharge this responsibility:

- To ensure that the process of holding to account is transparent and fulfils the statutory duties of the CoG
- To make the most effective and efficient use of time and resources, and to avoid duplication
- To reflect the NHS Improvement guidance that Governors should, via the Non- Executive Directors, seek assurance that there are effective strategies, policies and processes in place to ensure good governance of the Trust
- To be proportionate, recognising that Governors are volunteers and that Non-Executives are contracted.

The council has established a policy for engagement with the board of directors for those circumstances when they have concerns. 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.

Non-Executive Directors are invited to attend all CoG meetings and attend the CoG sub-groups which they are aligned to, based on the Trust Board sub-committees Chair role they hold. Governors can hold them to account at any of the sessions as required and appropriate. The CoG is satisfied with its interaction and relationship with the board of directors and that it is appropriate and effective.

Appraisal and appointment

The CoG has an Appointments and Remuneration Committee (ARC), for the appointment of Non-Executive Directors (including the Chair, Deputy Chair and Senior Independent Director). The committee has delegated authority to consider these appointments on behalf of the CoG and provide advice and recommendations to the full council in respect of these matters. The committee also periodically reviews the process to be followed for the appointment of the Chair, Deputy Chair, Senior Independent Director and Non-Executive Directors, including the means by which views will be obtained from the Trust Board on the qualifications, skills and experiences required for each position when considering potential candidates.
On an annual basis the committee reviews the remuneration of Non-Executive Directors in context to changes to the cost of living and in reference to remuneration levels in comparable organisations.

It also considers and makes recommendations for the Council of Governors for the reappointment of the Lead Governor. The council will only exercise its power to remove the Chair or any Non-Executive Director after exhausting all means of engagement with the Board. The Chair and other NED appraisals for 2020 have been undertaken and reported to the full Council.

Key items discussed in 2020/21

Various key items were discussed by the CoG during the year, which included:

- Trust Priorities 2019/20 - Year End Report
- Trust Priorities 2020/21
- Board Assurance Framework
- Trust Capital Programme Update
- Humber Acute Services Update
- Patient Impact Report
- Integrated Care System Partnership Working Update - 'Integrating Care: Next steps to building strong and effective integrated care systems across England' - NHS England /Improvement (NHSE/I)
- Finance – Special measures planning and recovery plan, contracting, cost improvement programme, capital investment
- Trust Board minutes
- Strategy and planning
- Sustainability and Transformation Partnerships (STPs)
- Care Quality Commission (CQC)
- Overview and ratification of the external auditor contract
- Monthly staffing report, staff morale and staff engagement including Pride and Respect updates (now incorporating Listening into Action) and Freedom to Speak Up Guardian
- Performance compliance with evolving Integrated Performance Report
- Quality development plan and performance indicators
- Patient Administration update including Referral to Treatment Improvement Plan, Mortality Progress and Updates
- Feedback from CoG sub-groups:
    - Membership and Patient Engagement Group
    - Quality Review Group
    - Governor Assurance Group
    - Staff Governor Working Group
- Reports from Board committees:
    - Finance and Performance Committee (FIPC)
    - Audit, Risk and Governance Committee (ARGC)
    - Quality and Safety Committee (QSC)
    - Quality and Safety Patient Experience
    - Mortality Assurance and Clinical Improvement
    - Workforce Transformation Committee
    - Health Tree Foundation Trustees Committee
    - Infection and Prevention Control

Membership

Membership Strategy

The Trust has a Membership & Public Engagement Strategy for the period 2019 to 2022, which is updated with the help of the Governor's Membership and Patient Engagement Group. This strategy acknowledges that it is the responsibility of a foundation trust to recruit, communicate and engage with members and the broader public as a way of ensuring service provision meets the needs of service users. The Trust's strategy aims to recruit a representative membership base that is actively engaged in working for the good of the Trust. The key priorities of the strategy are:

- Membership community – to uphold our membership community by addressing natural attrition and membership profile short-fallings with member recruitment
- Membership engagement – to develop and implement best practice engagements methods with our members and the wider public
- Governor development – to support the developing and evolving role of our Governors.

Recruiting new members and supporting recruitment events within the hospitals and community venues is a key governor role. Governors spend time at these events describing the role of a Trust member and gathering feedback on services across the Trust and its future plans. Governors can be contacted via the Trust Membership Office by emailing: nlg-tr.foundationtrustoffice@nhs.net, or by ringing (03303) 302852 or writing to: The Membership Office, Scunthorpe General Hospital, Cliff Gardens, Scunthorpe, North Lincolnshire, DN15 7BH.

Currently the Trust has 6,580 public members who must live within one of the four constituencies and be aged 16 or above. All staff are offered the opportunity to be enrolled as members, when commencing employment with the Trust.
The Trust's membership for 2020/21 and the planned membership for 2021/22 are:

As at 15 March 2021, the Trust had a membership of 11,785 (including 28 members with no date of birth declared and recorded). The number of new members for the period of 2020/21, including staff members was 534. The number of members leaving was 779, again, including staff. This evidences an overall membership decrease of 245 members. The following tables provide a detailed breakdown (Figures as at March 01 2020).

Total membership overview	
Public members	6,580
Staff members	5,205
Members with no DOB recorded	28
Total members	**11,785**

Age group – public members	Number	Percentage	Population*
0 to 16	104	1.58%	19.51%
17 to 21	827	12.57%	5.85%
22 +	5621	85.42%	74.64%
Date of birth not stated	28	0.43%	n/a
Total	**6,580**	**100%**	**100%**

Breakdown by constituency

Constituency	Male	Female	Not stated	Total
Goole and Howdenshire	232	353	0	585
North East Lincolnshire	843	1,988	0	2,831
North Lincolnshire	912	1,598	0	2,510
East and West Lindsey	217	437	0	654
Staff	920	4,285	8	5,205
Total	**3,124**	**8,661**	**8**	**11,785**

Breakdown by ethnicity

Ethnicity	Number	Percentage	Population	Percentage
White	6,178	93.89%	381,788	97.63%
Mixed	31	0.47%	1,854	0.49%
Asian or Asian British	113	1.72%	5,529	1.45%
Black or Black British	34	0.52%	882	0.23%
Other	0	0%	786	0.20%
Not stated	224	3.40%	0	0%

Trust membership generally reflects the demographic of the population served, and is representative for the majority of categories. Membership recruitment events will continue to be undertaken in 2021/22, some of which will target various groups to further ensure representative membership (e.g. 16-year-olds through schools and colleges etc).

Keeping in touch with members

Ensuring effective two-way communication with our members, via a combination of Trust and Governor managed formal and informal communications is very important to our organisation. We issue a 'welcome' email or letter to all new members, which provides an outline of the Trust and what we do.

Our membership office strives to maintain contact with members using a variety of methods including:

- The Trust magazine which is aimed at staff, members and the public is sent out bi-monthly and includes news from across our three hospitals and community services that we think we will be of interest to people, as well as event dates, although this was restricted during the pandemic
- Trust website with a designated section for members
- Members' portal – an external website specially designed for member engagement
- Email – newsletters, invites to meetings and volunteer opportunities
- Face-to-face through informal governor drop-in sessions, membership recruitment and engagement events, and attendance at Engagements & Listening Events
- Posters around the Trust sites and publicised with our partner organisations
- Twitter and Facebook

Engagement events provide members with an opportunity to listen to presentations and debate the hot topics of the day, and our governor drop-in sessions give people the chance to speak to Governors in private about any issues they may have.

It is also an opportunity for people to pass on their praise for the services they have received. Feedback from the drop-in sessions is shared with the Membership Office who forward on queries or seek responses on behalf of Governors as appropriate and feedback to the Governors.

Disclosures and declarations of interests

The Chair of the CoG has not declared any other significant commitments that require disclosure.

The Chair submits an Annual Declaration of Interest Statement and Fit and Proper Person Declaration which are reported in public at the Trust Board.

Governors are required to complete individual Declaration of Interest forms, which are held on a Trust Register and available from the Trust Secretary upon request.

Resolution of disputes

The Trust Constitution sets out the process for dealing with any dispute between the Council of Governors and the Trust Board. The Council and Trust Board have a positive working relationship, and the process has not been utilised during the 2020/21 year.

Remuneration Report

Introduction

The terms and conditions of employment for most of the Trust's employees are linked to the agreed national frameworks, for example Agenda for Change. The exceptions to this are the Executive whose terms and conditions of employment and remuneration are determined by the Remuneration and Terms of Service Committee. The details of this are set out in this chapter of the Annual Report.

The NHS Foundation Trust Annual Reporting Manual indicates this means those who influence the decisions of the Trust as a whole, rather than the decisions of individual directorates or services. For the purpose of this remuneration report the description of "senior manager" will refer to the Executive Directors and the Non-Executive Directors holding positions on the Trust Board of Directors. The remuneration report contains details of senior managers' remuneration and pensions. It also sets out further information about the appointment of those senior managers (where these have occurred during 2020/21) as required by NHSI's Code of Governance. The narrative and figures in this report relate to those individuals who have held office as a senior manager of the Trust during the periods 2020/21 and 2019/20.

The information in this section is not subject to audit by our external auditors, but they will read the narrative to ensure it is consistent with their own knowledge of the Trust. The auditable sections are the directors' remuneration tables and the pension benefits table later in this section of the Annual Report.

Annual statement on remuneration

The Remuneration and Terms of Service (RATS) Committee took a view on remuneration of each member of the executive team individually based on performance, job evaluation, external advice and guidance, internal relativities, market consideration and comprehensive benchmarking. Remuneration levels of other staff groups within the Trust, and in the wider NHS, were also taken in consideration. The key decisions made on senior managers' remuneration in 2020/21 were as follows:

- The Remuneration Committee made its decisions concerning the chief executive and executive directors and there were no substantial changes to the policy or approach.
- There were three uplifts during 2020/21 in recognition of:
    - Continuing an 'acting up' role and in line with NHS Improvement's (NHSI) senior managers' remuneration benchmarking tool
    - Continuing with additional responsibility for a specific portfolio in line with the NHSI senior managers' remuneration benchmarking tool
    - A secondment to a joint executive post across the Humber Coast and Vale Integrated Care System (whilst retaining a substantive post at the Trust)

Requirements from the Secretary of State in respect of salaries higher than that of the national salary of the Prime Minister, state any salary over the threshold must receive ministerial approval. The Trust received ministerial approval for the Chief Executive's salary. The Trust has paid out compensation to one director during the year due to redundancy.

Appointment and Remuneration Committee – Non-Executive Directors' remuneration

The overarching policy for the remuneration of the Non-Executive Directors is to award levels of remuneration in line with other comparable NHS foundation trusts, using benchmarked figures from a number of sources. The work of the committee is also in line with the requirement of paragraph 18(2) of Schedule 7 of the Health and Social Care Act 2006. The Council of Governor's Appointment and Remuneration Committee decides on Non-Executive Director pay and terms and conditions.

Senior managers' remuneration policy

All directors' performance is subject to an annual appraisal, the outcome of which is reported to the Remuneration Committee by the Chief Executive. This is prior to any decision being made on executive remuneration. The Chief Executive had his appraisal during 2020/21; this was undertaken by the Chair of the Trust. From the appraisal a report will be submitted to the Remuneration and Terms of Service Committee and also to the Council of Governors.

The annual appraisal method is chosen as it is an effective way to assess performance against a range of performance targets and leadership responsibilities and includes feedback from non-executive directors.

In coming to any decision on remuneration, the committee takes account of the circumstances of the Trust, the size and complexity of the role, any changes in the director's portfolio, the performance of the individual and any appropriate national guidance. Senior managers are remunerated based on these decisions. In considering senior managers pay the committee has used the NHS Improvement Senior Managers benchmarking tool and guidance framework from 2018/19 onwards. Final decisions on any recommendation to uplift remuneration are taken by the committee. It also took note of the requirement to consider any pay above a threshold of £150,000. This is a requirement from the Secretary of State in respect of salaries higher than that of the national salary of the Prime Minister. All salaries above this threshold have been sanctioned in this way.

Future policy tables

This section describes the policy narrative relating to the components of the remuneration packages for senior managers (Executive and Non-Executive Directors). Each of the components detailed in those tables supports the Trust in terms of its long-term strategic objectives. Setting and reviewing pay is not a simple matter. It is vital to recruit and retain talent and to operate the pay system fairly; but it is also necessary to have a robust process for reviewing remuneration and to be able to demonstrate sensible use of public money.

In the case of executive jobs the Remuneration Committee made the decision that from 2018/19 job evaluation and remuneration of Senior and Very Senior Managers would be conducted using the NHS Improvement *'Guidance on the pay for very senior managers in NHS trusts and foundation trusts'* tool. The Trust is identified as a medium-sized acute Trust for the purpose of this tool.

The Trust also includes a performance discussion at the same time as the annual review of roles and salary but does not apply a performance related pay process. No new elements were added within the remuneration packages during 2020/21 and no changes to the current elements were made.

Element	Policy
Base pay	Base pay is determined through market benchmarking and internal relativities and is used to attract and reward the right calibre of leadership to deliver the Trust's short, medium, and long-term objectives.
Pension	Executive directors are able to join the standard NHS pension scheme that is available to all staff.
Retention premium	A retention premium is paid to reflect the nature of the individual contribution of the post holder and encourage retention in the face of a difficult recruitment market and in some cases in difficult to recruit into roles.
Bonuses	Bonuses were not given to staff, including senior managers.
On call payment	In relation to executive pay, no board members receive on call payment
Benefits	The Trust operates a number of salary sacrifice schemes including cycle scheme and childcare vouchers. These are open to all members of staff. The individual foregoes an element of their basic pay in return for a defined benefit.
Travel expenses	Appropriate travel expenses are paid for business miles.
Declaration of gifts	As with all employees, senior managers must declare any gifts or hospitality according to Trust policy with a value in excess of £25.

Base salaries are set in line with the NHS Improvement benchmarking tool and guidance and are designed to ensure retention, recruitment, of the calibre and experience required to deliver the aims of the Trust. Salaries are revised annually and uplifted only if:

- There is demonstrable evidence that an uplift is required to keep in line with the market
- A change of portfolio necessitates uplift.

The maximum value of each pay element is determined on a case-by-case basis with NHSI guidance being used for positioning of salaries using the tables and guidance produced.

Remuneration policy for Non-Executive Directors

Remuneration of the Chair and NEDs for 2020/21 is as follows and is undertaken by the Council of Governors Appointments and Remuneration Committee (ARC):

Name	Salary 2020/21	Salary 2019/20
Anne Shaw (Chair)	**N/A**	£51,500 (left December 2019)
Linda Jackson (NED and Vice Chair)	**£37,000**	£51,500 for Chair role £18,500 for Vice Chair
Terry Moran CB (Chair. Also Chair of HUTH where he is remunerated at the same level by them following the establishment of a single Chair role across both trusts)	**£37,500**	£37,500 (Commenced February 2020)
Neil Gammon	**£13,045**	£13,045 (Commenced November 2019)
Anthony Bramley	**£15,576 (left January 2021)**	£13,045, £2,499 for Chair of Audit, Risk and Governance Committee
Sandra Hills	**£15,544 (left September 2020)**	£13,045, £2,499 for Senior Independent Director
Jeffrey Ramseyer	**£13,045 (left June 2020)**	£13,045
Nicholas Mapstone	**N/A**	£12,875, £2,498 for Chair of Audit, Risk and Governance (Committee (Left May 2019)
Michael Whitworth	**£13,045**	£13,045 (Commenced January 2020)
Michael Proctor	**£13,045**	N/A
Charles Smith	**£15,373**	N/A

Future Policy Table for Non-Executive Directors

Element	Policy
Fee payable	They receive a base allowance for circa 6 days per month
Additional fees	They can claim a subsistence allowance
% uplift (cost of living increase)	This is reviewed, although not applied
Travel	Appropriate travel expenses are paid for business miles
Uplift	Chair of the Audit Committee receives an uplift for being chair
Uplift	An uplift is received for undertaking the role of Senior Independent NED

Performance and appraisal of the Executive Directors

The system of appraisal is the same as all staff, in that the Trust's appraisal process, which is linked to our vision and values, is used to appraise executives.

Service contract obligations

HM Treasury has issued specific guidance on severance payments within 'Managing Public Money' and special severance payments when staff leave requires Treasury approval. Alongside this the Trust observes NHS Improvement 'Guidance on pay for very senior managers in NHS Trusts and Foundation Trusts' which was published in March 2018. All contracts are permanent with no fixed end date. However, three executive positions were Acting or Interim at various points throughout 2020/21. There are no contractual provisions for payments on termination of contract. This is the case on a substantive or interim basis.

Policy on payments for loss of office

There is currently no provision within the Remuneration Policy for payment for loss of office on senior managers' contracts and there was one payment made during 2020/21. There is a clause which enables the Trust to reclaim relocation monies if the individual leaves within an agreed period of their appointment. None have been claimed during 2020/21.

Statement of consideration of employment conditions elsewhere in the Trust

There has been no formal consultation regarding the senior managers' Remuneration Policy.

Policy on notice periods

Executive Directors have to provide a period of three months' notice should they wish to terminate their employment with the Trust.

Signature:

Chair of the Trust and Chair of the Remuneration and Terms of Service Committee: Terry Moran CB
Date: 11 June 2021

Annual report on remuneration

This section includes a description of the work of the committees that are involved in the appointments of both the Executive and Non-Executive Directors, and in determining their respective salaries and remuneration. These are:

- The Remuneration and Terms of Service Committee.
- The Appointments and Remuneration Committee.

The Remuneration and Terms of Service Committee (a sub-committee of the Board of Directors)

The Remuneration and Terms of Service Committee (RATS) is a sub-committee of the Trust Board and was established in accordance with the Trust Constitution and Monitor's NHS Foundation Trust Code of Governance (July 2014) for the purpose of setting the remuneration of Executive Directors of the Trust Board and those reporting directly to the Chief Executive.

It is responsible for determining the pay and terms of service for Executive Directors and is accountable to, and reports directly to, the Trust Board. Its key objective is to ensure that remuneration packages are sufficient to attract, retain and motivate executive directors of the quality required for the successful operation of the Trust, while avoiding paying excessively for this purpose. Remuneration includes pay, all contractual terms and conditions, pensions and redundancy or settlement entitlements.

The committee also has delegated responsibility for recommending and monitoring the level and structure of remuneration of its senior managers. The definition of senior manager for this purpose will include the first layer of management below board level (see NHSI's Code of Governance D2.2).

The committee is comprised of all Non-Executive Directors. Other Directors attend meetings or parts of meetings by invitation as required for specialist advice including the Chief Executive and Director of People.

In accordance with NHSI's Code of Governance no Director is involved in deciding his/her remuneration (Para D2a).

The Remuneration and Terms of Service Committee is independent of the executive arm of the Board of Directors. However, during 2020/21 the committee has taken advice internally from the Acting Director of People and Organisational Effectiveness (up to 31 December 2020) and the Director of People (from 1 January 2021).

The tables overleaf illustrates the attendees and their attendance at the Remuneration and Terms of Service Committee meetings held between 1 April 1 2020 and March 31 2021.

Name	Title	Date of attendance
Terry Moran	Chair	**2020:** 20 May, 09 June, 23 June, 12 August, 14 September, 24 September, 13 October, 22 October, 26 October **2021:** 29 January, 16 February
Linda Jackson	Vice Chair	**2020:** 20 May, 09 June, 23 June, 12 August, 24 September, 13 October, 22 October, 26 October **2021:** 29 January, 16 February
Anthony Bramley	Non-Executive Director	**2020:** 20 May, 09 June, 23 June, 12 August, 14 September, 24 September, 13 October, 22 October, 26 October **2021:** 29 January, 16 February
Sandra Hills	Non-Executive Director	**2020:** 20 May, 09 June, 23 June, 26 October
Michael Whitworth	Non-Executive Director	**2020:** 09 June, 12 August, 14 September, 24 September, 13 October, 22 October, 26 October **2021:** 29 January
Neil Gammon	Non-Executive Director	**2020:** 20 May, 09 June, 23 June, 12 August, 14 September, 24 September, 13 October, 26 October **2021:** 29 January, 16 February
Michael Proctor	Non-Executive Director	**2020:** 13 October, 22 October, 26 October **2021:** 29 January, 16 February
Andrew Smith	Non-Executive Director	**2020:** 26 October **2021:** 29 January, 16 February

Name	Title	Date of attendance
Stuart Hall	Associate Non-Executive Director	**2020:** 20 May, 09 June, 23 June, 14 September, **2021:** 16 February, 16 February
Helen Harris	Director of Corporate Governance	**2020:** 09 June, 23 June, 12 August, 14 September, 22 October, 24 September, 13 October, 26 October **2021:** 29 January
Claire Low	Acting Director of People and Organisational Effectiveness (POE)	**2020:** 20 May, 09 June, 23 June, 26 October
Peter Reading	Chief Executive	**2020:** 09 June, 23 June, 12 August, 14 September, 24 September, 13 October, 22 October, 26 October **2021:** 29 January, 16 February
Christine Brereton	Director of People	**2021:** 29 January, 16 February
Dr Kate Wood	Medical Director	**2020:** 09 June
Wendy Booth	Trust Secretary	**2020:** 20 May
James Hayburn	Interim Director of Finance	**2020:** 24 September
Paul Bunyan	Head of Recruitment and Employment Services	**2020:** 12 August, 14 September, 13 October
Sarah Meggitt	Executive PA (taking minutes)	**2020:** 14 September, 24 September, 13 October, 22 October, 26 October, **2021:** 29 January
Wendy Stokes	Executive PA (taking minutes)	**2020:** 23 June, 12 August **2021:** 16 February

Advice to the committee

External advice to the Remuneration and Terms of Service Committee is provided by the NHS Improvement benchmarking tool and guidance for Senior and Very Senior Managers. NHS Improvement guidance provides both job evaluation and remuneration benchmarking from comparison of the size of the Trust, based on annual budget, against comparator Trusts of an equivalent size (budget). For the purposes of this exercise the Trust is classified as a medium-sized trust.

Directors' contracts

Details of the contract start date for the Chief Executive and other members of the Executive Team who served during 2020/21 are set out in the table below.

Name	Title	Date of contract	Notice period from the Trust	Notice period to the Trust
Dr Peter Reading	Chief Executive	14/08/2017	3 months	3 months
Jayne Adamson	Director of POE	01/08/2016	3 months	3 months
Claire Low	Acting Director of POE	03/03/2019	Acting up arrangements to 31 December 2020	
Ellie Monkhouse	Chief Nurse	01/05/2019	3 months	3 months
Dr Kate Wood	Medical Director	01/04/2019	3 months	3 months
Wendy Booth	Trust Secretary	01/10/2018 – 30/05/2020	3 months	3 months
Jug Johal	Director of Estates and Facilities	14/08/2014	3 months	3 months
Shaun Stacey	Chief Operating Officer	29/05/2018	3 months	3 months
Ivan McConnell	Director of Strategic Development	16/03/2020	3 months	3 months
James Hayburn	Interim Director of Finance	16/09/2019 – 30/09/2020	n/a	n/a
Christine Brereton	Director of People	01/01/2021	3 months	3 months
Shauna McMahon	Chief Information Officer	Temporary contract 02/11/2020 Permanent contract 01/02/21	3 months	3 months
Lee Bond	Chief Financial Officer	06/11/2020 Joint contract with HUTH	3 months	3 months

Details of the non-executive directors who have served during the course of 2020/21 are shown in the table below, along with details of their current terms of appointments. The tenure (length) of employment for Non-Executive Directors is set out in the Trust's Constitution and is for three years, and then subject to reappointment. Any terms beyond six years is subject to rigorous review by the Council of Governors (CoG) and Non-executive Directors serving beyond this are subject to an annual reappointment.

Name	Appointment date	Start of current term	End of current term
Terry Moran (Joint Chair with HUTH)	03/02/2020	03/02/2020	31/01/2022
Linda Jackson NED and Vice Chair	01/03/2020	01/03/2020	01/04/2022
Anthony Bramley	03/01/2017	03/01/2017	03/01/2022 (left 31 January 2021)
Sandra Hills	03/01/2017	03/01/2017	03/01/2022 (left 30 September 2020)
Jeffrey Ramseyer	26/06/2018	26/06/2018	26/06/2020 (left 26 June 2020)
Neil Gammon	25/11/2019	25/11/2019	30/06/2021
Michael Whitworth	08/01/2020	08/01/2020	07/01/2023
Michael Proctor	15/09/2020	15/09/2020	15/09/2022
Charles Smith	05/10/2020	05/10/2020	05/10/2022

The Appointments and Remuneration Committee (a sub-committee of the Council of Governors)

The Appointment and Remuneration Committee (ARC) is a sub-committee of the Council of Governors. It sets the remuneration and terms of service for the Non-Executive Directors (NEDs), and it plays a role in the appointment of NEDs.
The table overleaf shows the number of Appointments and Remuneration Committee meetings in 2020/21 that were attended by each member of the committee.

Appointment of Executive and Non-Executive Directors in 2020/21

There were two executive appointments during 2020/21. There were two NED appointments in 2020/21.

Meeting dates							
PUBLIC GOVERNOR MEMBERS	**15/07**	**07/09**	**28/10 extra**	**03/11 extra**	**21/12**	**24/03**	**Total**
Jeremy Baskett (Public Governor)	P	A	P	P	A	P	4 out of 6
Rob Pickersgill (Deputy Lead Governor)	P	P	P	P	P	P	6 out of 6
Brian Page (Public Governor)	P	P	P			P	4 out of 4
Ian Reekie (Lead Governor)			P		P	P	3 out of 3
Liz Stones (Public Governor)	A	A	A		P		1 out of 4
Paul Grinnell (Public Governor)	P	P	P		P	P	5 out of 5
Tim Mawson (Staff Governor)	P	P	P	P	P	P	6 out of 6
Claire Low (Acting Director of POE)	A	P	A		A	P	2 out of 5
David Sprawka (Head of Employment)	P			P	P		3 out of 3
Christine Brereton (Director of People)						A	0 out of 1
Paul Bunyan (Associate Director of Workforce)						P	1 out of 1
Helen Harris (Director of Corporate Governance)	P	A		P	P	P	4 out of 5
Alison Hurley (Membership Manager and Assistant Trust Secretary)		P					1 out of 1
Terry Moran (Trust Chair)	P	P	P	P	P	P	6 out of 6
Linda Jackson (Vice Chair and Senior Independent Director)	P	P	P	P	P	P	6 out of 6
Sandra Hills (Non-Executive Director and Senior Independent Director)	P						1 out of 1
Rachel Hobson (Recruitment Business Partner)					P		1 out of 1

Off payroll engagements

Table 1: Highly-paid off-payroll worker engagements as at 31 March 2021 earning £245 per day or greater

	Number
Total number of existing engagements as of 31 March 2021	0
Of which, the number that have existed:	
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	0
for between two and three years at the time of reporting	0
for between three and four years at the time of reporting	0
for four or more years at the time of reporting	0

Table 2: All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2021 earning £245 per day or greater

	Number
Number of off-payroll workers engaged during the year ended 31 March 2021	0
Of which:	
Not subject to off-payroll legislation *	0
Subject to off-payroll legislation and determined as in-scope of IR35 *	0
Subject to off-payroll legislation and determined as out-of-scope of IR35 *	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

***** *A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes*

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure should include both on payroll and off-payroll engagements	23

Directors and Governors expenses 2020/21

2020/21	Total in office	Total receiving expenses	Total expenses
			£00's
Directors	23	14	£177
Governors	22	0	£0

Directors and Governors expenses 2019/20

2019/20	Total in office	Total receiving expenses	Total expenses
			£00's
Directors	23	15	£314
Governors	26	12	£35

Remuneration of all other staff

Agenda for Change (AfC), the nationally introduced pay reform for the NHS which was introduced in October 2004, covers all directly employed staff, except very senior managers and those covered by the Doctors Dentists Pay Review Body.

For all local pay arrangements not determined by AfC, pay increases were consisted with AfC increases. A robust system of appraisal and personal development planning has been adopted for all staff.

A different approach is adopted in relation to the Trust Executive because all other staff are on national terms and conditions and the executive team members' remuneration is determined locally. AfC staff have clear incremental progression, which is performance related, and medical and dental staff are on a separate contractual agreement which also allows for incremental progression and the award of substantial additional payments for clinical excellence. They are also able to benefit from an annual cost of living award, if this is agreed nationally.

It was not felt appropriate for executive team members to be on an incremental scale unless this involved performance related assessments. The priority was to provide a simple, clear and transparent model in which senior posts are operating.

Salaries are inclusive and the Trust follows national guidance from NHSI on the review of cost of living awards. Strategically this strategy is designed to enable the Trust to recruit and retain the levels of skills and expertise we cannot effectively function without. The remuneration policy for senior managers is determined independently to that for employees of the Trust.

Expenditure on consultancy

During 2020/21 the Trust has spent £1,387k on consultancy fees compared to £1,935k in the previous financial year.

Pay multiple statement (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Northern Lincolnshire and Goole NHS Foundation Trust in the financial year 2020/21 was £225,000 - £230,000 (2019/20, £230,000-£235,000).

This was 9.1 times (2019/20, 9.6 times) the median remuneration of the workforce, which was £25,000 (2019/20, £24,000).

Information on the gender pay gap can be found on the Cabinet Office website (https://gender-pay-gap.service.gov.uk/).

The Trust's gender pay gap is reported on its website and can be found here: https://www.nlg.nhs.uk/content/uploads/2019/03/Gender-Pay-Gap-Report-March-19.pdf

Pay multiple table (subject to audit)

	2020/21	2019/20	Notes
Band of highest paid director's total remuneration (£000)	**225-230**	230-235	
Median remuneration (£000)	**25**	24	2
Ratio	**9.1**	9.6	3

Directors' remuneration 2020/21 (subject to audit)

Name and Title			Salary	Benefits in kind	Pension Related benefit	Total
			(bands of £5,000)	(£s, to the nearest £100)	(bands of £2,500)	(bands of £5,000)
			£000's	£'s	£000's	
Mr T Moran	5	Chair joint with Hull University Teaching Hospitals NHS Trust	£35 - £40	-	-	£35 - £40
Mrs L Jackson	7	Vice Chair and Non-Executive Director	£15 - £20	-	-	£15 - £20
Dr PR Reading	1	Chief Executive	£200 - £205	11,700	-	£210 - £215
Mr S Stacey		Chief Operating Officer	£125 - £130	-	£60.0 - £62.5	£185 - £190
Mrs C Brereton		Director of People (appointed 1/1/21)	£30 - £35	-	£17.5 - £20.0	£50 - £55
Mrs VJ Adamson		Director of People and Organisational Development (resigned 21/6/20)	£25 - £30	0	£6 - £7.5	£35 - £40
Miss C Low	1	Acting Director of POE (resigned 31/12/20)	£75 - £80	6,700	-	£80 - £85
Mrs E Monkhouse		Chief Nurse	£155 - £160	-	£30.0 - £32.5	£185 - £190
Dr KA Wood*		Medical Director	Disclosure omitted			
Mrs W Booth		Director of Performance Assurance and Trust Secretary (resigned 31/5/20)	£10 - £15	-	-	£10 - £15
Mr L Bond	6	Chief Financial Officer, joint with Hull University Teaching Hospitals (appointed 6/11/20)	£45 - £50	-	-	£45 - £50
Mr M Hassall	4	Director of Finance	£265 - £270	0	£145.0 - £147.5	£410 - £415
Mr J Hayburn		Acting Director of Finance (resigned 30/9/20)	£110 - £115	-	-	£110 - £115

* Dr KA Wood has opted for her information not to be disclosed.

Directors' remuneration 2020/21 (subject to audit) continued

Name and Title			Salary	Benefits in kind	Pension Related benefit	Total
			(bands of £5,000)	(£s, to the nearest £100)	(bands of £2,500)	(bands of £5,000)
			£000's	£'s	£000's	
Mr IP McConnell		Director of Strategic Development	£125 - £130	-	£10.0 - £12.5	£135 - £140
Mr J Johal	1	Director of Estates & Facilities	£115 - £120	14,600	£27.5 - £30.0	£160 - £165
Mrs SN McMahon		Chief Information officer (appointed 2/11/20)	£50 - £55	-	£32.5 - £35.0	£85 - £90
Mr A Bramley		Non-Executive Director (resigned 31/1/21)	£10 - £15	-	-	£10 - £15
Mr N Gammon		Non-Executive Director	£10 - £15	-	-	£10 - £15
Mr S Hall	8	Associate Non-Executive Director	£10 - £15			£10 - £15
Mrs S Hills		Non-Executive Director (resigned 30/9/20)	£10 - £15	-	-	£10 - £15
Mr M Proctor		Non-Executive Director (appointed 15/9//20)	£5 - £10	-	-	£5 - £10
Mr J Ramseyer		Non-Executive Director (resigned 26/6/20	£0 - £5	-	-	£0 - £5
Mr CA Smith		Associate Non-Executive Director	£5 - £10	-	-	£5 - £10
Mr M Whitworth		Non-Executive Director (appointed 8/1/20)	£10 - £15	-	-	£10 - £15
			£000	£'s		
GROSS REMUNERATION INCLUDING NATIONAL INSURANCE AND PENSION CONTRIBUTIONS			2,071	33,000		

Directors' remuneration 2019/20 (subject to audit)

Name and Title			Salary	Benefits in kind	Pension Related benefit	Total
			(bands of £5,000)	(£s, to the nearest £100)	(bands of £2,500)	(bands of £5,000)
			£000's	£'s	£000's	
Mr T Moran		Chair joint with Hull University Teaching Hospitals NHS Trust (appointed 3/2/20)	£5 - £10	-	-	£5 - 10
Mrs L Jackson		Chair (16/9/19-2/2/20) and Non-Executive Director	£30 - £35	-	-	£30 - £35
Mrs A Shaw		Chair (Resigned 15/9/19)	£25 - £30	-	-	£25 - £30
Dr PR Reading	1	Chief Executive	£200 - £205	13,300	-	£210 - £215
Mr S Stacey		Chief Operating Officer	£125 - £130	-	£10.5 - £12.5	£135 - £140
Miss C Low		Acting Director of People and Organisational Effectiveness (POE)	£95 - £100	-	-	£95 - £100
Mrs VJ Adamson		Director of POE	£125 - £130	-	£27.5 - £30.0	£155 - £160
Mrs E Monkhouse		Chief Nurse (Interim from 15/11/18, appointed 1/5/19)	£155 - £160	-	£92.5 - £95.0	£250 - £255
Mr L Roberts		Medical Director (Resigned 24/4/19)	£25 - £30	-	-	£25 - £30
Dr KA Wood*		Medical Director	Disclosure omitted			
Mrs W Booth		Director of Performance Assurance and Trust Secretary	£95 - £100	-	-	£95 - £100
Mr M Hassall	1	Director of Finance	£120 - £125	2,000	£50 - £52.5	£175 - £180

*Dr KA Wood has opted for her information not to be disclosed.

Directors' remuneration 2019/20 (subject to audit) continued

Name and Title			Salary	Benefits in kind	Pension Related benefit	Total
			(bands of £5,000)	(£s, to the nearest £100)	(bands of £2,500)	(bands of £5,000)
			£000's	£'s	£000's	
Mr J Hayburn		Interim Director of Finance (Appointed 16/9/19)	£120 - £125	-	-	£120 - £125
Mr R Eley		Interim Director of Finance (Resigned 27/9/19)	£105 - £110	-	-	£105 - £110
Mr IP McConnell		Director of Strategic Development (appointed 16/3/20)	£5 - £10	-	-	£5 - £10
Mrs P Clipson		Director of Strategy and Planning (resigned 30/8/19)	£60 - £65	-	£22.5-£25.0	£85 - £90
Mr J Johal	1	Director of Estates and Facilities	£115 - £120	14,200	£60.0 - £62.5	£190 - £195
Mr A Bramley		Non-Executive Director	£15 - £20	-	-	£15 - £20
Mr N Gammon		Non-Executive Director (Appointed 18/11/19)	£0 - £5	-	-	£0 - £5
Mrs S Hills		Non-Executive Director	£10 - £15	-	-	£10 - £15
Mr N Mapstone		Non-Executive Director (resigned 17/5/19)	£0 - £5	-	-	£0 - £5
Mr J Ramseyer		Non-Executive Director	£10 - £15	-	-	£10 - £15
Mr M Whitworth		Non-Executive Director (appointed 8/1/20)	£0 - £5	-	-	£0 - £5
			£000	**£'s**		
Gross remuneration – including national insurance and pension contributions			2,084	29,500		

Pension Benefits 2020/21 (subject to audit)

Name	Title	Real Increase/(Decrease) in pension at pension age (bands of £2,500)	Real Increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2021 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	Real Increase/ (Decrease) in Cash Equivalent Transfer Value
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mrs VJ Adamson	Director of POE	0 - 2.5	-	25 - 30	-	437	388	49
Mrs C Brereton	Director of People	0 - 2.5	-	10 - 15	-	147	115	32
Mr L Bond*	Chief Financial Officer	5 - 7.5	10 - 12.5	60 - 65	135 - 140	1,123	987	136
Mr M Hassall	Director of Finance	10.0 - 12.5	27.5 - 30.0	55 - 60	105 - 110	1,115	872	243
Mr J Johal	Director of Estates and Facilities	0 - 2.5	-	25 - 30	35 - 40	366	333	33
Mrs SN McMahon	Chief Information Officer	10 – 15		10 – 15		162		162
Mr IP McConnell	Director of Strategic Development	0 - 2.5	-	10 - 15	-	159	136	23
Mrs E Monkhouse	Chief Nurse	2.5 - 5.0	-	40 - 45	90 - 95	729	684	45
Mr S Stacey	Chief Operating Officer	5.0 - 7.5	-	10 - 15	25 - 30	360	282	78
Dr KA Wood**	Medical Director	Disclosure omitted						

*Mr L Bond was appointed Chief Financial Officer on 6/11/20, this a joint role with Hull University Teaching Hospitals NHS Trust. The table above represents the total pension benefits for Mr L Bond in this joint role.

**Dr KA Wood has opted for her information not to be disclosed.

The Chairman and Non-Executive Directors do not receive pensionable remuneration, therefore there are no entries in respect of pensions for the Chairman and Non-Executive Directors.

Notes to salary, pension entitlements and pay multiple tables

1 - Benefit in kind relates to lease cars.
2 - The median remuneration is the middle item salary when the annualised salaries of all members of staff including agency and seconded staff, (excluding bank staff and the highest paid director) are arranged in descending order.
3 - The ratio is obtained by dividing the highest paid director's salary by the median salary.
4 - Mr M Hassall was paid compensation for loss of office of £160k, which is included in the figure in the table above.
5 - Mr T Moran is joint chair with Hull University Teaching Hospitals NHS Trust. The table above represents remuneration relating to Northern Lincolnshire and Goole NHS Foundation Trust only.
6 - Mr L Bond was appointed Chief Financial Officer on 6/11/20, this is a joint role with Hull University Teaching Hospitals NHS Trust. The table above represents remuneration relating to Northern Lincolnshire and Goole NHS Foundation Trust only. The pension benefit is excluded from this table as this will be reported by Hull University Teaching Hospitals.
7 - Mrs L Jackson receives a combined remuneration of £30k as Vice Chair of Northern Lincolnshire and Goole NHS Foundation Trust and Associate Non-Executive Director of Hull University Teaching Hospitals NHS Trust.
8 - Mr S Hall receives a combined remuneration of £27.5k as Associate Non-Executive Director of Northern Lincolnshire and Goole NHS Foundation Trust and Vice Chair of Hull University Teaching Hospitals NHS Trust.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The basis of CETV calculations are based in the Department of Work and Pensions regulations which came into force on 13th October 2008.

This year the CETV's shows reduction in real term in most cases due to not having any inflation factors applied.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period. No inflation factors have been applied this financial year as per the guidance from NHS Pensions Agency

Signature:

Chief Executive and Accountable Officer: Dr Peter Reading
Date: 11 June 2021

Staff Report

2020/21 has been an unprecedented year in the life of the NHS and for its workforce. During this time we have seen changes to services and how we do things brought in with speed and scale not seen before. Through all of this the Trust has seen dedication, determination and unfailing compassion and commitment from all members of every team.

This year we have invested heavily in Health and Wellbeing of our staff, improving the safety culture by ensuring our teams have the confidence and knowledge to speak out and raise concerns. We have significantly invested in staff communications and engagement for not just those at work but also for our staff who, through government lockdown guidelines, have been at home shielding.

The Trust cannot underestimate the impact of COVID-19, and before that the impact of double special measures, is having on its workforce. During this last year we have reconfigured the way our teams work. We have redeployed staff into roles that they may not have previously undertaken to support our clinical frontline services and our patients and their relatives. We have refocused staff to deliver Lateral Flow Testing and to operate our COVID-19 vaccination clinics across all of our sites. We have seen a 500% increase in home working as those staff who can work at home (mainly our corporate teams) have moved their services, without affecting productivity, into an agile working environment to allow for greater social distancing of staff who remain on site or the repurposing of their office space.

During this time our workforce has also been supported by extremely generous local and national businesses that have offered discounts on their services, opened extra hours for NHS staff and sent in an extraordinary range and number of items for our staff. We have been humbled by their generosity and sincerely wish to thank each and every one of them.

We are incredibly proud of what we have achieved together and continue to do so. Each member of our team has stepped up to the challenge and exceeded every expectation we have of them and they have placed on themselves.

The Trust recognises that it can only deliver compassionate, safe quality care if it has an enthusiastic, innovative, hardworking and engaged workforce. How staff feel about working here and their commitment to their patients and the Trust are all essential if they are to provide outstanding care to patients. This commitment and dedicate has, if anything, strengthened during the pandemic.

During normal circumstances or the recent challenges facing the Trust recruiting and retaining the right people, and thereafter supporting their health and wellbeing, invest in them so they maintain the highest knowledge and skills, and supports them in doing their jobs vitally important. The morale and staff voice across all staff groups has been low in recent years as demonstrated through the national staff survey.

The Trust is delighted that in the 2020 Staff Survey the investment in health and wellbeing and safety culture has been felt by our teams. We are also pleased that, despite the inevitable impact of the heightened COVID-19 service activities, the rest of staff survey scores have been largely maintained. We recognise that we need to review and reinvigorate team working although would offer that relationships and camaraderie between staff has increased, albeit not measured by the survey, as we have seen during our virtual staff awards event and numerous other outlets where staff have come together.

From April 2020 to February 2021 vacancies increased by 88.12 wte whole time equivalents (wte) from 518.16 wte to 606.28 wte. However during this period the budgeted establishment increased by 95.90 wte. Over the period vacancies for registered nurses decreased by 24.74 wte, despite an increase in establishment, but vacancies for doctors increased by 8.32 wte. This was largely due to an increase in establishment of 12.41 wte and challenges in sourcing medical staff from overseas due to travel restrictions and issues related to Covid-19.

The overall medical vacancy position in 20/21 saw a steady increase in vacancies throughout the year due to the points noted above, but is now showing signs of recovery. The Deanery training rotation fill rate improved further from 88.02% in August 2019 to 91.12% in August 2020. Staff turnover (12 month moving average, for all staff groups) between April 2020 and March 2021 is 9.07%. This has remained consistently above the Trust's turnover target of 8.55%. Turnover has increased in line with the start of the COVID-19 pandemic, but with a decrease showing as the pandemic de-escalated.

Apprenticeships

The Trust is committed to utilising the Apprenticeship Levy for the development of our staff and to support our community. We currently offer 40 different apprenticeships from level 2 to level 7 over a range of clinical and nonclinical roles. The Trust is recognised regionally and nationally for 'leading the way' with the use of the apprenticeship Levy in developing current staff to grow our own and using the Levy to support innovative new roles. In 2020/21 the Trust also use the Levy to support twelve social care providers with over £200k worth of levy transfers to support a system wide approach to supporting patient pathways and developing a skilled work force across health and social care.

Occupational Health

Occupational Health (OH) is concerned with the impact of health on work and work on health, with a focus on keeping Trust staff healthy and at work. The service accepts referrals from members of staff, managers and recruitment. The flu campaign success for the Trust as a whole has been the use of Peer Vaccinators and despite the challenges of COVID our peer vaccinators have continued to deliver flu vaccines in their clinical areas.

There has been additional nurse and physician resource over the past year to support staff and managers with COVID related health and wellbeing concerns providing advice and support.

A new Employee Assistance Programme support provider has been put in place, this offers 24/7 counselling and a platform with self-help guides. Over the coming year OH a new Head of Occupational Health and Wellbeing will come into post and will review the service to ensure that we continue to offer a comprehensive service to our staff putting their health and wellbeing at the centre of the service.

Staff policies and actions

Polices for giving full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities	The Trust has a recruitment and selection policy, which sets out how the Trust ensures fair recruitment practices throughout the attraction, selection and recruitment of candidates, including compliance with the Jobcentre Plus "Disability Confident" standards. Adhering to this standard is monitored through the Trust's 'TRAC' recruitment system.
Policies applied for continuing the employment of, and for arranging appropriate training for, employees who become disabled during the period	The Trust adheres to the Equality Act 2010 and has introduced an Equality Impact Assessment Policy and Procedure that supports, line managers to make reasonable adjustments and use referrals to the occupational health team to ensure the continued employment of employees who become disabled persons. In addition, the HR team provides direct support to staff affected and managers. The Trust are adhering to the national disability standards.
Policies applied during the year for the training, career development and promotion of disabled employees	There is equality of access to training for all staff. Policies applied during the year for the training, career development and promotion of disabled employees are: • Personal Development Review Policy • Recruitment Policy • Attendance Management Policy • Managing Employee Performance • Special Leave Policy • Safeguarding Policy All our policies have an equality impact assessment.
Actions taken to consult staff on a regular basis so that the views of staff can be taken into consideration in making decisions which are likely to affect their interests	The Trust has regular meetings with its Joint Negotiating Consultative Committee for formal discussions relating to staffing issues. Collective consultations would be enacted where there are more specific issues affecting employees i.e. restructures. The Trust Pride & Respect programme involves employees in a cultural change programme designed to improve engagement with all staff. Moving forward a refresh will be launched incorporating multiple strands of support in consultation with the staff.

Information on health and safety performance

Health and safety compliance is managed by the safety and statutory compliance team. It is monitored via the Health, Safety and Fire (HFS) Group which is a sub-group of, and reports to, the Trust Audit, Risk and Governance (ARG) Committee, a sub-committee of the Trust Board. Governance and Health and Safety Groups are established in divisions as well as those existing with other groups such as ARG, Security Group and Joint Negotiating Consultative Committee (a Senior Management Team from Estates and Facilities attends JNCC). Highlight reports are submitted where appropriate to the relevant groups and board briefings on health and safety are undertaken at appropriate times. Working with the Estates and Facilities directorate the team also offers health and safety advice to other divisions and groups to enable consistent implementation of safety management throughout the Trust. The non-clinical performance of the Trust is monitored via the HFS Group which has union and non-union safety representatives and escalates any issues to the relevant groups, and also to directors when required.

The team worked closely with the clinical, infection control, procurement and emergency preparedness teams during the COVID-19 pandemic to ensure that appropriate Personal Protective Equipment (PPE) was identified, correctly used and, where required, fit-tested. In addition the team attended regular strategic meetings, gave updates to the Trust Management Board and Executive Team to update risk assessments and review incidents which could be reportable to external authorities. In relation to the incidents which met the threshold of the RIDDOR requirements the Trust reported one incident during the 2020/21 period. During the pandemic appropriate alternatives to maintain mandatory training compliance and a process to identify risks to individual staff members from COVID-19 was developed as part of a multi-disciplinary team (including medical staff) together with implementing appropriate actions/control measures to minimise the risk and protect staff.

Involvement of employees

Staff at the Trust have a number of ways to get involved in the work and development of the Trust, and to be consulted on any changes. These are:

- A monthly JNCC (Joint Negotiating and Consultation Committee Meeting) for Staffside representatives
- A monthly JLNC (Joint Local Negotiating Committee) for medics
- Fortnightly policy sub-group meetings with representatives to discuss and agree policy updates
- Staff networks, including Multicultural and Faith, LGBT+ and the recently launched Long Term Conditions and People with Caring Responsibilities
- A Pride and Respect Steering Group, chaired by a clinician, to work on driving cultural change through behavioural frameworks and embedding the Trust's values of Kindness Courage Respect
- Staff Governors who meet regularly with senior management and take part in the Council of Governors meetings throughout the course of the year

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
19	6923* includes permanent, fixed term, internal secondment, and maternity leave

Percentage of time spent on facility time

Percentage of time	Number of employees
0	6915
1-50	17
51-99	
100	2

Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£109,689.47
Total pay bill	£325,786,000
Percentage of the total pay bill spent on facility time	0.037

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.12

Staff sickness absence

In line with the temporary change in guidance stated by the NHS foundation trust annual reporting manual 2020/21, sickness absence data is available here:

https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Staff engagement and communications

In 2020/21 the Trust continued to work hard to communicate with staff and help them feel involved in the work and the decisions of the Trust although the majority of the year was taken up by work generated by the COVID-19 pandemic, both internally and externally. The communications team used existing methods to communicate COVID-19 information including:

- Running online sessions for senior leaders and other staff
- Putting on a number of online events to talk to staff directly about the latest developments with the Humber Acute Service Review
- Continuing to answer staff questions and concerns through the very successful and very popular 'Ask Peter' service where staff can directly ask the Chief Executive a question and have an answer published for all staff to read as well as introducing a special COVID-19 email for staff to have their questions answered
- Publishing regular content on the Trust's social media channels – particularly Facebook and Twitter
- Sending out a daily email to all staff at the height of the pandemic to provide timely information about, for example, changes to national guidance around donning and doffing Personal Protective Equipment (PPE), wearing face masks, taking annual leave etc.
- A regular email from the Chief Executive every Monday to inform staff of his work, his visits and the priorities for the coming week

In addition to above the Trust, to support and engage with staff during the pandemic, launched its incredibly success NLaG Staff closed Facebook account (with more than 3,200 members) With the increased emphasis being placed on virtual communication and engagement we undertook a significant number of all staff virtual briefing sessions over the peak activity periods of the pandemic. We have also undertaken virtual staff briefings specifically for our shielding staff to keep them informed and in readiness for welcoming them back to work when shielding restrictions were paused. The uptake of virtual communication technology has been embraced to such a degree by the workforce at the Trust is presently redesigning its smartphone staff app to allow staff briefings to take place and for staff to dial in direct from their phones wherever they are. The new staff app launched in quarter four of the 2020/21 year.

Fraud, bribery and corruption statement

Fraud is estimated to cost the NHS over a billion pounds a year that could have been spent on patient care, so everyone has a duty to help prevent it. NHS fraud may be committed by staff, patients and suppliers of goods/services to the NHS.

The Trust is committed to deterring and detecting all instances of fraud, bribery and corruption as far as possible and ensuring that losses are reduced to an absolute minimum, therefore ensuring that valuable public resources are used for their intended purpose of delivering the best possible care and patient experience.

The NHS Counter Fraud Authority (NHSCFA) provides the national framework through which NHS trusts seek to minimise losses through fraud. The Trust follows the guidance contained in the NHS Provider Standards and ensures our contractual obligations with our local clinical commissioning groups are adhered to. The Chief Financial Officer is nominated to lead counter fraud work and is supported by the Trust's Local Counter Fraud Specialist (LCFS). During 2020 the role of Counter Fraud Champions was introduced across all NHS organisations, with a view to further strengthening counter fraud work by supporting LCFSs in the work they do. A Counter Fraud Champion was duly nominated at the Trust.

The Trust has an in-house collaborative counter fraud arrangement with four other local NHS trusts, which allows it to have a LCFS permanently on site, supported by a small team of counter fraud specialists dedicated to combatting fraud within both community and secondary care settings. The Trust has a robust Local Counter Fraud, Bribery and Corruption Policy and Response Plan which provides a framework for responding to suspicions of fraud and provides advice and information on various aspects of fraud investigations.

The Trust also has a Standards of Business Conduct Policy which sets out the expectations it has of all staff where probity is concerned. The policy also contains a statement from the Trust's Chief Executive in relation to ensuring that the organisation is free from bribery and corruption. There are references to counter fraud measures and reporting processes in various other Trust policies and procedures.

An annual work plan, approved by the Chief Financial Officer and with oversight from the Trust's Audit, Risk and Governance Committee, has been in place over the last year. The key aims are to proactively create an anti-fraud culture, implement appropriate deterrents and preventative controls and ensure that allegations of fraud are appropriately and professionally investigated to a criminal standard. Progress reports on all aspects of counter fraud work and details of investigations are received at each meeting of the Trust's Audit, Risk and Governance Committee.

In addition to continuing to raise awareness of fraud against the NHS throughout the year, in November 2020 the Trust held a Fraud Awareness Month and was an official supporter of International Fraud Awareness Week in the same month. Those efforts were, however, amplified as a result of intelligence received relating to emerging Covid-19 threats in the early part of 2020. As a result the LCFS revisited both the annual work plan and the Trust's local Fraud Risk Assessment, in order to reflect where certain types of fraud were increasing in, or likely to increase in, risk. Fraud awareness work was substantially increased generally across the Trust, and also targeted at specific areas of heightened risk.

The Trust has a well-publicised system in place for staff to raise concerns if they identify or suspect fraud. They can do this via our LCFS, the Chief Financial Officer, the Trust's electronic anonymous reporting system 'Bad Apple', via the NHS fraud and corruption reporting line on 0800 028 40 60 or online at www.cfa.nhs.uk/reportfraud Patients and visitors can also refer suspicions of NHS fraud to the Trust via the same channels with the exception of the 'Bad Apple' reporting system which is an internal staff system.

NHS staff survey

The NHS staff survey is conducted annually. From 2018 onwards the results from questions are grouped to give ten indicators, with an eleventh (Team Working) being added in 2019. It must be noted in 2019/20 the Quality of Appraisals theme was note scored due to service pressures and impact this may have had on the number of appraisals conduced and the quality of those undertaken. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The results of the 2020 National Staff Survey were published in March 2021.In total 2,320 staff took part in the survey, which ran from October 2020 to December 2020. The response rate was 36 per cent, which is 3% down from the previous year. This reduced participation rate was witnessed nationally due to the pandemic. Scores for each indicator together with that of the survey benchmarking group (acute and acute & community trusts) are presented on the table overleaf. The survey gives staff the opportunity to provide feedback to the Trust on a range of areas such as culture, managers, safety, and workload. The results showed some improvement across the majority of questions compared to the 2019 survey, but also showed a clear picture of much more work needing to be done. Of particular note is that with all the investment in health and wellbeing, error reporting and feeding back to staff who have raised concerns, the Trust saw Health and Wellbeing and Safety Culture themes statistically significantly improve.

As well as this there is going increases to a wide and varied range of individual question scores, which when reading the comments showed the Trust is starting to see the signs of positive culture change despite the challenges facing the Trust during 2020/21. More staff felt confident about raising concerns and reporting incidents and felt more confident the Trust would act on feedback from staff and patients. More staff are reporting that they feel valued, that they can deliver the care they aspire to and less are reporting that they are looking for alternative work. Despite this the Trust recognises that there is still much work to do in order for the staff survey score to reflect those for its benchmark group.

Future priorities and targets

During 2020/21 the Trust ratified its new People Strategy. Within this there is dedicated focus on Workforce, Leadership and Culture. Each of these three strands has multiple strategic deliverables intertwined work streams to support holistic culture change and to enable the Trust to become the best it can be. The Staff Survey, and pending introduction of quarterly pulse check surveys, will be a critical measure of the success of this strategy.

Like most Trusts a crucial issue is having enough staff to do everything needed to be done and to lessen the pressure staff face on a daily. Significant investment has taken place in retaining staff as well as reducing the vacancy rate and its reliance on agency staff. In 2021/22 we will invest heavily in reviewing the reasons staff leave and corresponding staff retention works streams. Reward management will form a key strategic strand as we seek to increase staff sense of value, this is incredibly important as we emerge from the pandemic.

Health and wellbeing will continue to be a major focus. Not only will we continue to invest in our psychological support for staff through the introduction of Critical Incident Trauma Debrief and Schwartz Rounds for staff but we intend to strengthen our financial and physical wellbeing offers. We are assessing our approach to health and wellbeing and the offer to staff against the NHS Employers Health and Wellbeing Framework with the view to establishing a long-term plan. Significant invest is due within Leadership Development and Coaching and Mentoring to support our leaders and managers to create an environment where staff can thrive. We are to review and invest in talent management and succession planning both internally but also linked to the Humber Acute Services Review so we can meet the current and future demands on our services and workforce. Progress against these and the other priorities within the People Strategy will be monitored through the Trust's Workforce Committee.

Staff survey results: comparison over the last three years

	2020/21*		2019/20**		2018/19**	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking group
Equality, diversity and inclusion	**9.1**	**9.1**	9.0	9.0	9.0	9.1
Health and wellbeing	**5.8**	**6.1**	5.5	5.9	5.5	5.9
Immediate managers	**6.4**	**6.8**	6.4	6.8	6.4	6.7
Morale	**5.9**	**6.2**	5.9	6.1	5.8	6.1
Quality of appraisals	**n/a*** **	**n/a*** **	4.8	5.6	4.6	5.4
Quality of care	**7.4**	**7.5**	7.4	7.5	7.2	7.4
Safe environment – bullying / harassment	**7.8**	**8.1**	7.7	7.9	7.6	7.9
Safe environment – violence	**9.4**	**9.5**	9.5	9.4	9.4	9.4
Safety culture	**6.4**	**6.8**	6.2	6.7	6.2	6.6
Staff engagement	**6.6**	**7.0**	6.6	7.0	6.5	7.0
Team working	**6.2**	**6.5**	6.4	6.6		

*Benchmark group is acute and acute and community trusts
**Benchmark group is acute trusts
***For 2020/21 the quality of appraisals theme was removed from the staff survey findings due to the COVID-19 pandemic and service pressures

Trust staff in numbers

Staff costs (subject to audit)

	Group			
			2020/21	2019/20
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	243,438	367	**243,805**	219,222
Social security costs	23,272	-	**23,272**	21,335
Apprenticeship levy	1,189	-	**1,189**	1,107
Employer's contributions to NHS pension scheme	36,358	-	**36,358**	34,738
Temporary staff	-	21,162	**21,162**	18,238
Total gross staff costs	**304,257**	**21,529**	**325,786**	**294,640**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**304,257**	**21,529**	**325,786**	**294,640**
Of which				
Costs capitalised as part of assets	232	-	**232**	-

Average number of employees: WTE basis (subject to audit)

	Group			
			2020/21	2019/20
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	671	68	739	664
Ambulance staff	-	-	-	-
Administration and estates	1,363	36	1,399	1,349
Healthcare assistants and other support staff	1,129	60	1,189	1,205
Nursing, midwifery and health visiting staff	1,609	364	1,973	1,844
Scientific, therapeutic and technical staff	1,054	20	1,074	1,090
Total average numbers	**5,826**	**548**	**6,374**	**6,152**

Number of people

	2020/21	2019/20
Other	**16**	19
Medical	**647**	630
Band 9	**16**	16
Band 8	**221**	216
Band 7	**555**	531
Band 6	**840**	827
Band 5	**1343**	1322
Band 4	**446**	365
Band 3	**842**	862
Band 2	**1976**	1921
Band 1	**18**	65
Apprentices	**3**	9
Total	**6923***	**6783**

Age profile of staff

	2020/21	2019/20
< 25	**477**	484
26 - 35	**1699**	1634
36 - 45	**1486**	1415
46 - 50	**851**	892
51 - 55	**998**	993
56 - 60	**838**	826
61-65	**475**	442
65+	**99**	97
Unknown	**0**	
Total	**6923***	**6783**

* includes permanent, fixed term, internal secondment, and maternity leave

Staff profile

	Number of people	
	2020/21	2019/20
Add prof scientific and technical	**162**	171
Additional clinical services	**1545**	1468
Administrative and clerical	**1531**	1464
Allied health professionals	**385**	368
Estates and ancillary	**635**	672
Healthcare scientists	**218**	219
Medical and dental	**647**	630
Nursing and midwifery registered	**1786**	1775
Students	**12**	16
Unknown	**2**	
Total	**6923***	**6783**

* includes permanent, fixed term, internal secondment, and maternity leave

Ethnic minority breakdown of staff

	2020/21		2019/20	
	Number	**%**	**Number**	**%**
Asian	**494**	**7.1**	514	7.6
Black	**164**	**2.4**	123	1.8
Mixed	**42**	**0.6**	44	0.6
Other	**60**	**0.9**	52	0.8
Unknown	**259**	**3.7**	274	4
White	**5904**	**85.3**	5776	85.2
Total	**6923***		**6783**	

* includes permanent, fixed term, internal secondment, and maternity leave DWFAX VSC

Analysis of gender distribution of staff 2020/21

	Female	Male	Total	Female %	Male %
Directors	7	4	11	64	36
Other Senior Managers*	156	81	237	66	34
Employees excluding the above	5421	1254	6675	81	19
Total	**5584**	**1339**	**6923**		

*Senior Manager is defined as any role at Band 8A and above

Exit package cost band (including any special payment element)

Reporting of compensation schemes - exit packages 2020/21			
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (includingany special payment element)			
<£10,000	-	-	**-**
£10,000 - £25,000	-	-	**-**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	1	-	**1**
>£200,000	-	-	**-**
Total number of exit packages by type	**1**	**-**	**1**
Total cost (£)	£160,000	£0	**£160,000**

Reporting of compensation schemes - exit packages 2019/20			
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	**-**
£10,000 - £25,000	-	-	**-**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**-**	**-**
Total resource cost (£)	£0	£0	**£0**

Exit packages: other (non-compulsory) departure payments

	2020/21		2019/20	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**-**	**-**	**-**	**-**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

NHS Foundation Trust Code of Governance

The NHS Foundation Trust Code of Governance (the Code of Governance) was first published in 2006 and was most recently updated in July 2014. The purpose of the Code of Governance is to assist NHS foundation trust boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance.

The code is issued as best practice advice but imposes some disclosure requirements. Northern Lincolnshire and Goole NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis.

The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. For the year ending March 31 2021, the Board considers that it was fully compliant with the provisions of the NHS Foundation Trust Code of Governance.

The Board of Directors is committed to high standards of corporate governance, understanding the importance of transparency and accountability and the impact of Board effectiveness on organisational performance.

The Trust carries out an ongoing programme of work to ensure that its governance procedures are in line with the principles of the Code, including:

- Supporting governors to appoint non-executive directors and external auditors with appropriate skills and experience
- Ensuring a tailored and in-depth induction programme for new non-executive directors and governors
- Facilitating internal and external reviews of the Trust's governance arrangements and acting on the findings. The divisional governance arrangements introduced in 2018 are becoming increasingly well embedded. Further details can be found in the Annual Governance Statement section of the report
- Working with governors to ensure they can engage with and hold the Board to account. The mechanisms in place are captured within a 'Governor Engagement Policy'
- Ongoing review of compliance with the Code of Governance by the Council of Governors and Board of Directors when making decisions which impact on governance arrangements. This includes review and refresh of relevant policies and procedures and the Trust's Constitution.
- Implementation of a development programme for the Trust Board and Executive Directors which include the governance requirements for Board.

Full details on the disclosure required by the Code of Governance are set out in the following pages.

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
2: Disclose	Board and Council	A.1.1	Clear statement detailing roles and responsibilities of the council of governors. Should also describe how any disagreements between the CoG and the board of directors will be resolved. Statement on how the board of directors and the CoG operate, including a summary of the types of decisions taken by each of the boards and which are delegated to the executive management of the board of directors.	Governors' report – role of the governors Governors' report – resolution of disputes Directors' report – operation of the Board
2: Disclose	Board, Audit Committee and Remuneration Committee	A.1.2	Identify the chairperson, the deputy chair, the CEO, the senior independent director and the chair of the audit and REMCOM. Also set out the number of meetings of the board and those committees and individual attendance by directors.	Directors' report Directors' report
2: Disclose	Council of Governors	A.5.3	Identify the members of the council, including a description of the constituency or organisation they represent, whether they were elected or appointed, and the duration of the appointments. Should identify the lead governor.	Governors' report – members of the Council of Governors
Additional requirement of FT ARM	Council of Governors	n/a	Statement about the number of meetings of the CoG and individual attendance by governors and directors.	Governors' report – governor attendance at Council of Governors

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
2: Disclose	Board	B.1.1	Identify each non-executive director it considers to be independent, with reasons where necessary.	Directors' report
2: Disclose	Board	B.1.4	A description of director's skills, expertise and experience. Alongside this a clear statement about the board's balance, completeness and appropriateness to the requirements of the FT.	Directors' report – brief details of serving executives and non-executives Directors' report – balance of the board
Additional requirement of FT ARM	n/a	n/a	Brief description of the length of appointment of the non-execs, and how they may be terminated.	Directors' report
2: Disclose	ARC	B.2.10	Describe the work of the Appointments and Remuneration Committee (ARC), including the process it has used in relation to board appointments.	Governors' report
Additional requirement of FT ARM	Council of Governors	n/a	Statement about the number of meetings of the CoG and individual attendance by governors and directors.	Governors' report – governor attendance at Council of Governors
Additional	ARC	n/a	An explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-exec director.	During 2020/21 an external agency was utilised in the recruitment of NEDs.

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
2: Disclose	Chair / Council of Governors	B.3.1	Chair's other significant commitments should be disclosed. Changes to such commitments should be reported to the CoG as they arise, and included in the next annual report .	Chair's Foreword Directors' report
2: Disclose	Council of Governors	B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Governor's report – governor engagement

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Additional requirement of FT ARM	Council of Governors	N/A	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. *Power to require one or more of the directors to attend a governor meeting for the purpose of obtaining information about the foundation trust's performance of their duties (and deciding whether to propose a vote on the foundation trust's or director's performance). ** As inserted by section 151(6) of the Health and Social Care Act 2912).	Governors' report – holding the Non-Executive Directors to account for the performance of the Trust Board
Disclose	Board	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chair, has been conducted.	Directors' report – operation of the Board

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Disclose	Board	B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	Directors' Report - The Trust has utilised an external facilitator during 2020/21 in support of the evaluation of the Trust Board against the Well-Led framework.
Disclose	Board	C.1.1	The directors should explain their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.	Directors' report
Disclose	Board	C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Directors' report - Trust Audit, Risk and Governance Committee Annual Governance Statement

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Disclose	Audit committee / control environment	C.2.2	A trust should disclose in the annual report: a)If it has an internal audit function, how the function is structured and what role it performs; or (b)If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Directors' report – Trust Audit, Risk and Governance Committee
Disclose	Audit Committee/ Council of Governors	C.3.5	If the Council of Governors does not accept the Audit Committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include a statement in the annual report from the Audit Committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	Not applicable

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Disclose	Audit Committee	C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: (a)The significant issues that the committees considered in relation to financial statements, operations and compliance, and how these issues were addressed (b)An explanation of how it has addressed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenures of the current audit firm and when a tender was last conducted (c) If the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence.	Directors' report – Trust Audit, Risk and Governance Committee

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Disclose	Board / Remuneration Committee	D.1.3	Where an NHS FT releases an executive director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Not applicable
Disclose	Board	E.1.5	The board of directors has taken steps to ensure that the members of the board and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face to face contact, surveys of members opinions and consultations.	Directors' report – operation of the board Governors' report - Addressed through attendance of NEDs at CoG business meetings, the COG Annual Review Meeting, the Annual Members Meeting and the Board Assurance Sub-committee NED Chairs attendance at the aligned CoG sub-group meetings. Governors' report - Mechanisms for governors to engage with and hold the Board to account are captured within a 'Governor Engagement Policy'

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Disclose	Board/ Membership	E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Membership report
Disclose	Membership	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Membership report
Additional requirement of FT ARM	Membership	N/A	The annual report should include: (a) A brief description of the eligibility requirements for joining different membership (b) Information on the number of members and the number of members in each constituency (c) A summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership including progress towards any recruitment targets for members.	Membership report - membership strategy

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Additional requirement of FT ARM	Board / Council of Governors	N/A	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possible seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors; interests which are available to the public, and alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Membership report – disclosures and declarations of interests Directors' report – Registers of interests
Comply or explain	Board	A.1.4	The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS FT's effectiveness, efficiency and economy as well as the quality of its healthcare delivery.	Comply
6: Comply or explain	Board	A.1.5	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance.	Comply – Integrated Performance Report

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	A.1.6	The board should report on its approach to clinical governance.	Comply
6: Comply or explain	Board	A.1.7	The chief executive as the accounting officer should follow the procedure set out by NHS Improvement for advising the board and the council and for recording and submitting objections to decisions.	Comply
2: Disclose	Board	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS FT, for example through attendance at meetings of the CoG, direct face-to-face contact, surveys of members' opinions and consultations.	Governors' report - Addressed through attendance of NEDs at CoG business meetings, the COG Annual Review Meeting, the Annual Members' Meeting and the Board Assurance Sub-committee. NED Chairs attendance at the aligned CoG sub-group meetings. Governors' report - Mechanisms for governors to engage with and hold the Board to account are captured within a 'Governor Engagement Policy'.

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
Additional requirements of FT ARM	Membership	n/a	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Membership report
6: Comply or explain	Board	A.1.8	The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life.	Comply

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	A.1.9	The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility.	Comply
6: Comply or explain	Board	A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.	Comply
6: Comply or explain	Chair	A.3.1	The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust.	Comply
6: Comply or explain	Board	A.4.1	In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.	Comply
6: Comply or explain	Board	A.4.2	The chairperson should hold meetings with the non-executive directors without the executives present.	Comply

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	A.4.3	Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.	Directors' report - How the Directors are assisted in their roles
6: Comply or explain	Council of Governors	A.5.1	The council of governors should meet sufficiently regularly to discharge its duties.	Comply
6: Comply or explain	Council of Governors	A.5.2	The council of governors should not be so large as to be unwieldy.	Comply
6: Comply or explain	Council of Governors	A.5.4	The roles and responsibilities of the council of governors should be set out in a written document.	Comply – Trust Constitution, Governor Role Requirements and Governor Handbook
6: Comply or explain	Council of Governors	A.5.5	The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.	Comply

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Council of Governors	A.5.6	The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns.	Comply- Council of Governors' Engagement Policy
6: Comply or explain	Council of Governors	A.5.7	The council should ensure its interaction and relationship with the board of directors is appropriate and effective.	Comply
6: Comply or explain	Council of Governors	A.5.8	The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board.	Comply
6: Comply or explain	Council of Governors	A.5.9	The council should receive and consider other appropriate information required to enable it to discharge its duties.	Comply
6: Comply or explain	Board	B.1.2	At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.	Comply
6: Comply or explain	Board/Council of Governors	B.1.3	No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.	Comply

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	ARC(s)	B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors.	Comply Directors' report
6: Comply or explain	Board/Council of Governors	B.2.2	Directors on the board of directors and governors on the council should meet the "fit and proper" persons test described in the provider licence.	Comply Directors' report – Code of Conduct for the Trust Board. Membership report - Disclosures and declarations of interests.
6: Comply or explain	Remuneration Committee	B.2.3	The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate.	Comply
6: Comply or explain	Nomination Committee(s)/ Council of Governors	B.2.5	The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors.	Comply

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Nomination Committee(s)	B.2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.	Comply Remuneration Report - The Appointments and Remuneration Committee (a sub-committee of the Council of Governors) and the Appointments and Remuneration Committee Terms of Reference (which state a core membership of six governors)
6: Comply or explain	Council of Governors	B.2.7	When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position.	Comply Membership report – appraisal and appointment
6: Comply or explain	Council of Governors	B.2.8	The annual report should describe the process followed by the council in relation to appointments of the chairperson and non-executive directors.	Comply Membership report – appraisal and appointment
6: Comply or explain	Remuneration Committee	B.2.9	An independent external adviser should not be a member of or have a vote on the nominations committee(s).	Comply Remuneration report

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	B.3.3	The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity.	Comply Directors' report
6: Comply or explain	Board/Council of Governors	B.5.1	The board and the council governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.	Comply Directors' report – Operation of the Board Governors' report – Council of Governors
6: Comply or explain	Board	B.5.2	The board, and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.	Comply NED challenge roles in place and reviewed annually

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	B.5.3	The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.	Comply Directors' report - How the Directors are assisted in their roles
6: Comply or explain	Board/ Committees	B.5.4	Committees should be provided with sufficient resources to undertake their duties.	Comply Directors' report – Board Committees
6: Comply or explain	Chair	B.6.3	The senior independent director should lead the performance evaluation of the chairperson.	Comply Directors' report – Senior Independent Chair
6: Comply or explain	Chair	B.6.4	The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.	Comply

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Chair/ Council of Governors	B.6.5	Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Comply Governors' report – governor engagement
6: Comply or explain	Council of Governors	B.6.6	There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties	Comply Governors' report – role of governors
6: Comply or explain	Board/ Remuneration Committee	B.8.1	The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.	Comply

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	C.1.2	The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary. See also ARM paragraph 2.12.	Comply Performance report - Going Concern
6: Comply or explain	Board	C.1.3	At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.	Comply Directors' report – Non-Executive Directors

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	C.1.4	a) The board of directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust. b) The board of directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in: • the NHS foundation trust's financial condition • the performance of its business; and/or • the NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust.	Comply Council of Governor's Engagement Policy

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board/Audit Committee	C.3.1	The board should establish an audit committee composed of at least three members who are all independent non-executive directors.	Comply Directors' report – Trust Audit and Risk Governance Committee
6: Comply or explain	Council of Governors/ Audit Committee	C.3.3	The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.	Comply Governors' report – role of governors
6: Comply or explain	Council of Governors/ Audit Committee	C.3.6	The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.	Comply Directors' report – Trust Audit, Risk and Governance Committee
6: Comply or explain	Council of Governors	C.3.7	When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to NHS Improvement informing it of the reasons behind the decision.	Comply, n/a in 2020/21

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Audit Committee	C.3.8	The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.	Comply Director's report – Trust Audit, Risk and Governance Committee
6: Comply or explain	Remuneration Committee	D.1.1	Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.	Comply Remuneration report
6: Comply or explain	Remuneration Committee	D.1.2	Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.	Comply Remuneration report

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Remuneration Committee	D.1.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.	Comply Remuneration report
6: Comply or explain	Remuneration Committee	D.2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	Comply Remuneration report
6: Comply or explain	Council of Governors/ Remuneration Committee	D.2.3	The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	Comply Governors' report – appraisal and appointments

Part of schedule A	Relating to	Code of Governance reference	Summary of requirement	Where located in the annual report and further explanation
6: Comply or explain	Board	E.1.2	The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	Comply Trust Constitution
6: Comply or explain	Board	E.1.3	The chairperson should ensure that the views of governors and members are communicated to the board as a whole.	Comply Governors' report – Governor engagement
6: Comply or explain	Board	E.2.1	The board should be clear as to the specific third-party bodies in relation to which the NHS foundation trust has a duty to co-operate.	Comply Directors' report
6: Comply or explain	Board	E.2.2	The board should ensure that effective mechanisms are in place to co-operate with relevant third-party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	Comply Directors' report

Statement of the chief executive's responsibilities as the accounting officer of Northern Lincolnshire and Goole NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust.

The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Northern Lincolnshire and Goole NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Northern Lincolnshire and Goole NHS foundation trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy; and
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The accounting officer is responsible for keeping proper accounting records which 71 disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act.

The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Signature:

Chief Executive and Accountable Officer: Dr Peter Reading
Date: 11 June 2021

NHS England and NHS Improvement Oversight Framework

NHS England and NHS Improvement's NHS Oversight Framework provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes:

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

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

Segmentation

This segmentation information is the Trust's position as at 31 March 2021. NHS Improvement has placed the Trust in segment 4 and the Trust is in special measures for both quality and finance. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Signature:

Chief Executive and Accountable Officer: Dr Peter Reading
Date: 11 June 2021

Annual Governance Statement

1. SCOPE OF RESPONSIBILITY

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

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Northern Lincolnshire and Goole NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northern Lincolnshire and Goole NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

3. CAPACITY TO HANDLE RISK

COVID-19 meant a fundamental change to the way in which the Trust Board, staff and patients interacted**.** NHS England and NHS Improvement (NHSE/I) wrote to all NHS Trusts across the country in 2020 advising of a new set of governance arrangements during the pandemic and to meet the Government's requirements of a national lockdown. The Trust Board stepped up normal Governance arrangements from February 2021.

Leadership and Accountability

Leadership generally

During 2020/21 and up to the date of publishing this report, the Northern Lincolnshire and Goole NHS Foundation Trust (the Trust) further strengthened its Trust Board / senior leadership structure with substantive appointments to Chief Information Officer, Director of People and Trust Secretary posts. The Trust, jointly with Hull University Teaching Hospitals NHS Trust (HUTH), also appointed HUTH's Chief Financial Officer to be joint Chief Financial Officer of the two trusts.

This was to provide greater strategic alignment between the two organisations in support of the Humber Acute Services Review (HASR) and as the NHS moves into closer financial alignment between NHS organisations within the emerging Integrated Care System structure. The HASR is the collaboration between the Trust, HUTH and the four Humber Clinical Commissioning Groups, which was created to ensure the long-term provision of high quality, safe and sustainable services for our local populations. The Trust has appointed three further (replacement) Non-Executive Directors during this period and has plans to appoint an Associate Non-Executive Director.

During 2020/21 the Trust and Trust Board continued to embed the changes arising from the Well Led Review undertaken during 2017/18, including Board Development on the outcome of the self-assessment against the Well Led Framework and changes to meetings and accountability structures. The Trust remains at 'Requires Improvement' in the 'Well Led' domain.

The Divisional leadership teams have all begun a range of leadership training and coaching to strengthen their contribution to the organisation, further strengthening the Trust's clinical leadership. The divisional governance arrangements introduced in 2018 are becoming increasingly well embedded. Further work on strengthening the ability for our clinical leadership structure to respond to the wide demands throughout the seven-day week are being considered for 2021/22, with implementation being completed by September 2021.

From March 2020, Great Britain entered a national lockdown due to COVID-19. Leadership development programmes were restarted in January 2021 having been placed on hold during the majority of 20/2021 due to the pandemic.

The Senior Leadership Community, which brings together every month all of the organisation's senior clinical and managerial leaders, is embedded and provides a mechanism for communication and engagement within the Trust on key messages and priorities.

The Trust's People Strategy was formally approved by the Board in June 2020. The strategy focusses on three main themes: Workforce, Culture and Leadership. The launch of the People Strategy was quickly followed by the introduction of the NHS national People Plan launched in July 2020 which focused on and supported staff dealing with COVID-19. As a result of the pandemic, planned areas of work around Leadership development were put on hold as staff from within the People directorate were redeployed to focus on and support COVID-19 response. The focus has in the main been on health and wellbeing of our staff and the rollout of the vaccination programme. Some Leadership programmes have continued especially those for newly appointed consultants. As our response to COVID-19 reduces for both patients and staff, delivery against our Trust Priorities and People plans will increase. Scoping a leadership development framework for all leaders within the Trust remains a key priority for 2021 and beyond.

Leadership – Governance and Risk Management

In respect of governance and risk management, responsibility for corporate governance remains within the remit of the Trust Secretary.

Responsibility for quality governance sits within the portfolio of the Medical Director ensuring greater clinical engagement with and ownership of these arrangements across the Trust. The Medical Director is supported by a Deputy Medical Director and an Associate Director of Quality Governance. The Deputy Medical Director supports a focus on clinical/quality governance and is leading work on improving clinical engagement with the Trust's clinical/quality governance arrangements. The Associate Director of Quality Governance is the Trust Patient Safety Specialist.

Support to the Clinical Divisions on their Governance and Risk arrangements has been challenging through the pandemic, but the quality and processes for Serious Incident investigations were maintained along with limited essential Governance. In addition, fortnightly meetings have been set up with the Governance Leads in clinical divisions to ensure good links and understanding about the challenges faced and a Patient Safety Champions Group has been set up to lead the Trust on links with the national Patient Safety agenda, monitored by the Quality and Safety Committee.

The Associate Director for Quality Governance leads on risk for the Medical Director. The Risk Management Strategy continues to be implemented, training has been reinstated (paused during COVID-19) along with Risk Clinics with each division and discussions have been commenced on how divisional structures can be amended to support greater divisional management and challenge to risk prior to the central Trust Confirm and Challenge meeting.

Accountability

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.

The above arrangements and changes made during 2020/21 reflect the Trust's ongoing commitment to effective governance and quality governance including risk management processes.

The Trust's Internal Audit Programme is used to test key aspects of the Trust's governance and risk management arrangements annually; not least the annual review of the Board Assurance Framework and the risk management systems and process which underpin it. As a result of the pandemic a number of internal audits were temporarily suspended and the plan disrupted, however the internal auditors were able to conclude sufficient work for the Head of Internal Audit to be able to offer an opinion on the effectiveness of our internal control environment.

Training

The Trust has in place a mandatory training programme which includes training on specific risk topics such as fire safety, safeguarding, information governance, moving & handling, infection control etc. The majority of programmes have moved to on-line learning as a result of the pandemic and social distancing where possible.

Staff are regularly made aware of their duties and responsibilities in respect of reporting incidents and duty of candour. Whilst not mandatory, training is also provided on Root Cause Analysis in support of the Trust's arrangements for investigating and managing incidents. External Training is also provided, as required; for example, risk register training. The Trust has embraced virtual learning for mandatory, leadership and management training. Further training needs, particularly those within Clinical Divisions have been identified and addressed as part of the strengthening of the divisional governance arrangements already referred to above. This will ensure that staff are trained and equipped to identify and manage risk in a manner appropriate to their authority, duties and experience. Mandatory training compliance is reviewed at the monthly performance meetings; escalation of support can be requested to achieve compliance.

The Trust's mandatory training programme is regularly reviewed to ensure that it remains responsive to the needs of Trust staff. There is regular reinforcement of the requirements of the Trust's Mandatory Training Policy and Training Needs Analysis and the duty of staff to complete training deemed mandatory for their role and in order to mitigate risk. The Trust's Training Needs Analysis is regularly reviewed to ensure that mandatory training remains targeted and appropriate as well as manageable for staff.

The Trust continues to work hard to achieve good levels of compliance with mandatory training requirements. In the first phase of the pandemic, mandatory training compliance did improve, however during the second surge the compliance dropped with compliance at the end of March 2021 being 91% for core mandatory training against a target of 90%, but 80% for role-specific training against a target of 85%.

Although compliance is not consistent across all areas and staff groups - an issue highlighted during the September 2019 CQC inspection - the Trust is now working on a recovery plan and reviewing the targets after the impact of COVID-19 on training. There has been an impact on European Paediatric Advanced Life Support (EPALS) training within Accident & Emergency as these programmes were paused during the pandemic. These have now recommenced with reduced numbers to accommodate social distancing. Monitoring and escalation arrangements are in place to ensure that the Trust maintains good performance and can ensure targeted action in respect of areas or staff groups where performance is not at the required level, although inevitably compliance has been impacted by COVID-19 during 2020/21 with classroom based/face-to-face training being paused in many instances.

Monthly reporting is in place and work has commenced with the information team to produce further infographics and forecasting for divisions. The training and development team are working closely with the mandatory training subject matter experts and the divisions to ensure that mapping to competencies is correct and staff are only undertaking the training they require for their role. We will do a refresh of this in 2021 to ensure we continue to focus on the right things and that training is accessed and delivered in the most efficient and effective way.

Control Mechanisms including 'Learning Lessons'

A single IT Risk Management System (Datix) is in place which links key risk elements (including incident reporting, complaints/PALS and claims management) and which, in turn, informs the Trust's Risk Register (which is also held on Datix). Lessons learned when things go wrong are shared throughout the organisation via a range of mechanisms including safety alerts, 'learning lessons' newsletters, safety huddles/handovers and governance forums. This will remain an area of focus for the Trust to continue to improve internal arrangements and the sharing of best practice within Divisions.

A Learning Strategy has been developed which will serve as a roadmap for further strengthening of the Trust's approach. The Trust has already developed improved mechanisms for identifying and triangulating themes from a variety of intelligence sources using a refocussed Collaborative Learning In Practice (CLIP) report. Serious Incidents have remained a key area of focus with the regular reporting of themes and an annual report as well as the continuation of the Serious Incident (SI) Review Group that provides a further mechanism for the sharing of transferrable lessons and for testing that this learning and agreed actions have led to embedded and sustained improvements.

The Trust has further developed processes to ensure key themes are available to inform the Quality and Safety Committee's oversight of quality risks during the pandemic using the Patient Impacts Paper. This ensured NED confirm and challenge of the steps taken to mitigate quality risks identified in response to the significant risks faced by all NHS organisations.

The Quality and Safety Committee, on behalf of the Trust Board, routinely receives information on Serious Incidents (SIs) including lessons identified and learned. The Trust also provides assurance to commissioners on its arrangements for investigating and learning from SIs via a community-wide SI Collaborative Group, which in turn links with the Local Maternity Specialist (LMS). The Quality and Safety Committee and the CCG Quality Review Meeting continue to receive updates on the outcome of clinical harm reviews. The clinical harm review process in turn dovetails in to existing governance processes, including the SI and Being Open and Duty of Candour Policy and Procedures with instances of harm being escalated as potential SIs to the weekly Executive-led SI panel for discussion as to whether they meet the criteria for reporting or, if not, would benefit from the added resource that an SI investigation would bring. This Panel also identifies learning in each meeting to be then shared through the organisation via the Learning Manager.

The Trust Board routinely considers specific risk issues and receives minutes and highlight reports from Board Committees including the Audit, Risk and Governance Committee, Finance and Performance Committee, Workforce Committee and the Quality and Safety Committee. These committees provide oversight & challenge in respect of key areas of Trust business and in turn provide assurance and/or escalate concerns to the Trust Board. The Trust also has in place the Health Tree Foundation Trustees Committee, which is responsible for overseeing and managing the affairs of the Northern Lincolnshire and Goole NHS Foundation Trust Charitable Funds.

The Trust actively encourages networking and has strong links with relevant central/external bodies, e.g. NHS Resolution (NHSR), Health and Safety Executive (HSE), and acts on recommendations / alerts from these bodies as appropriate. The Trust registers external visits and seeks assurance on the outcome following external agency visit recommendations. This is another area of focus for continued strengthening during 2021/22.

The Trust has continued to develop its relationship with the CQC - escalating risks and concerns in respect of patient safety / quality as they occur, together with the actions taken or proposed, and in order to provide assurance that the Trust and Trust Board has appropriate oversight of its quality governance / patient safety risks. Monthly relationship meetings are held. The Trust has proactively sought CQC representative engagement at internal meetings to discuss local improvement plans and share progress and challenges with CQC linked improvement plans. The Trust is keen to promote an open and transparent relationship with the CQC viewing it as a key stakeholder in the organisation's improvement journey.

4. THE RISK AND CONTROL FRAMEWORK

The Management of Risk

The Trust is committed to the management of risk (both clinical and non-clinical) in order to improve the quality of care and provide a safe environment for the benefit of patients, staff and visitors by reducing and, where possible, eliminating the risk of loss, harm or damage, and also and protecting its assets and reputation. This is achieved through a process of identification, analysis, evaluation, control, action, elimination and transfer of risk.

The Trust has in place a Governance and Risk Management Strategy for 2019 to 2024 which provides a framework for the ongoing monitoring and review of risks, linked to the Trust's Strategic Objectives. The overall responsibility of this strategy sits with the Medical Director.

The Trust's Governance and Risk Management Strategy is an integral part of the Trust's approach to continuous quality improvement and is intended to support the Trust in delivering key quality objectives by ensuring that staff understand and act on the risks to the achievement of those objectives as well as ensuring compliance with external standards, duties and legislative requirements.

Risks are identified routinely from a range of internal and external sources through reactive and pro-active means. Sources include workplace risk assessments, analysis of incidents, complaints / Patient Advice and Liaison Service (PALS), claims, external safety alerts and other standards, targets and indicators etc. Risks are appropriately graded and included on the Trust's Risk Register and, in respect of those strategic risks which threaten the achievement of the Trust's strategic objectives, also within the Board Assurance Framework (BAF).

The Trust recognises that, as risks can change and new risks can emerge over time. The review and updating of risks on the risk register and within the BAF is an ongoing, dynamic process. A Risk Register – 'Confirm or Challenge' Group is in place to review and monitor risks added to the Risk Register and to ensure that the appropriate mitigation actions are in place. 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 the relevant risks being aligned to and reviewed by the relevant committees quarterly. The Trust Board undertakes deep dives into the BAF and, as part of this process, also annually reviews the organisation's 'Risk Appetite'.

There is an annual Internal Audit review of the BAF and the risk management processes supporting it to ensure they are fit for purpose and comply with good practice. A rating of 'significant' assurance was received following the 2020/21 Internal Audit review.

During 2020/21, the Trust Board extensively reviewed the Trust's strategic risks as summarised within the BAF. These were formally confirmed at the Board meeting in public on 6 April 2021 as:

- The risk that the Trust fails to deliver treatment, care and support consistently at the highest standard (by international comparison) of safety, clinical effectiveness and patient experience.

- The risk that the Trust fails to deliver constitutional and other regulatory performance or waiting time targets which has an adverse impact on patients in terms of timeliness of access to care and/or risk of clinical harm because of delays in access to care.

- The risk that the Trust (with partners) will fail to develop, agree, achieve approval to, and implement an effective clinical strategy (relating both to Humber acute services and to Place), thereby failing in the medium and long term to deliver care which is high quality, safe and sustainable.

- The risk that the Trust's estate, infrastructure and equipment may be inadequate or at risk of becoming inadequate (through poor quality, safety, obsolescence, scarcity, backlog maintenance requirements or enforcement action) for the provision of high quality care and/or a safe and satisfactory environment for patients, staff and visitors.

- The risk that the Trust's digital infrastructure (or the inadequacy of it, including data quality) may adversely affect the quality, efficacy or efficiency of patient care and/or use of resources, and/or make the Trust vulnerable to data losses or data security breaches.

- The risk that the Trust's business continuity arrangements are not adequate to cope without damage to patient care with major external or unpredictable events (e.g. adverse weather, pandemic, data breaches, industrial action, major estate or equipment failure).

- The risk that the Trust does not have a workforce which is adequate (in terms of numbers, skills, skill mix, training, motivation, flexibility, health or morale) to provide the levels and quality of care which the Trust needs to provide for its patients.

- The risk that either the Trust or the Humber Coast and Vale HCP fail to achieve their financial objectives and responsibilities, thereby failing in their statutory duties and/or failing to deliver value for money for the public purse.

- The risk that the Trust fails to secure and deploy adequate major capital to redevelop its estate to make it fit for purpose for the coming decades.

- The risk that the Trust is not a good partner and collaborator, which consequently undermines the Trust's or the healthcare systems collective delivery of: care to patients; the transformation of care in line with the NHS Long Term Plan; the use of resources; the development of the workforce; opportunities for local talent; reduction in health and other inequalities; opportunities to reshape acute care; opportunities to attract investment.

- The risk that the leadership of the Trust (from top to bottom, in part or as a whole) will not be adequate to the tasks set out in its strategic objectives, and therefore that the Trust fails to deliver one or more of these strategic objectives.

As referred to above, the Trust Board has also completed during 2020/21 deep dives into Strategic Objectives; and a review of the BAF in order to ensure that:

- they are an accurate reflection of the organisation's current risk profile;
- the Board and the committees are focussing on the areas of strategic importance i.e. those which have the potential to threaten the achievement of the Trust's strategic objectives; and
- the necessary controls and assurances are in place and effective.

The relevant Board committees review and challenge relevant sections of the BAF, with escalation of issues or concern to the Trust Board through the monthly highlight report, which has been adapted for this purpose.

The Audit, Risk and Governance Committee has the overarching lead role for ensuring the arrangements in place underpinning the BAF are in place and are robust. [**Note:** During the period of the COVID-19 pandemic when Trust Board committees were not operating fully, the Audit, Risk & Governance assumed general oversight of the Board Assurance Framework including challenging risks and risk ratings and escalating any issues or concerns to the Trust Board.]

The Trust Board holds an annual self-certification event to assess and confirm compliance or otherwise with the requirements of its NHS Provider Licence including condition FT4 (8) 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.

In line with the principles of devolution within the Trust, and in accordance with the Scheme of Delegation, responsibility for the management/control and funding of a particular risk rests with the Directorate/Division concerned. However, where action to control a particular risk falls outside the control/responsibility of that domain, where local control measures are considered to be potentially inadequate or require significant financial investment or the risk is 'significant' and simply cannot be dealt with at that level, such issues are escalated to the Executive Team/Trust Management Board or Trust Board for a decision to be made.

Supporting this devolved structure are corporate (non-clinical) Directorates. These Directorates have a nucleus of experienced and appropriately qualified staff to support and advise staff at all levels across the organisation with the identification and management of risk – clinical and non-clinical.

Risk Management is embedded in the activity of the organisation by virtue of robust organisational and committee structures.

The role of the Freedom to Speak up (FTSU) Guardian and promotion of the role to staff continues to be of great importance for the Trust. The Trust has worked closely with the National Guardian's Office, Regional and National Networks and other Guardians from peer trusts. The Freedom to Speak up Office has refreshed the Freedom To Speak Up Strategy 2020 – 2024 which was approved by Trust Board in December 2020. Within the strategy the following objectives are outlined with defined actions on how to achieve them.

- Encourage Everyone to Speak Up Better
- Create a Culture where staff are listened to
- Use information provided by FTSU concerns to help develop a 'learning culture' within the organisation

The Trust Board receives quarterly independent reports for oversight and the Freedom to Speak up Guardian is working with Executives and Trust Board to support development and training sessions for them and the wider trust. The Guardian took part in National Speak Up week with a communication and marketing plan to all staff.

To complement this, one of the People Strategy's themes is Culture; which focusses priorities around building an infrastructure to enhance our reputation and become a good employer. Our staff survey results for 2020 have seen a significant improvement on Health and Wellbeing and the Trust will continue to focus on this as we enter recovery.

Relevant governance and risk management Key Performance Indicators (KPIs) are shared through the performance management framework and are reported up to the Trust Board through the integrated performance report. Business Planning and Service Development proposals do not proceed without an appropriate assessment of and therefore recognition and acceptance of the risks involved and the involvement of the relevant risk management expertise e.g. health & safety and fire, infection control.

Executive Directors individually and collectively have responsibility for providing assurance to the Trust Board on the controls in place to identify, manage and mitigate risks to compliance with the Trust's licence. The committees of the Trust Board in turn have responsibility for providing assurance in respect of the effectiveness of those controls. A system of 'highlight' reports to the Trust Board is in place to highlight any risks to compliance. Board committees are chaired and attended by Non-Executive Directors as core members, with relevant Executive Directors as well as by other key Trust staff being 'in attendance'. There is a clear separation between Board assurance committees and day to day management meetings.

Patient and Public Involvement (PPI)

The Trust ensures that public stakeholders are involved in understanding the risks which impact upon them by a variety of means: the principal amongst these being the operation of the Council of Governors and the holding of Board meetings in public. The Council meets at least five times per year in public and receives a comprehensive report on performance (and risks of non-delivery) on each occasion. These reports are published along with the rest of the Council papers on the Trust internet site. During COVID-19 the Council of Governors met four times by utilising virtual meetings for business meetings, plus the Annual Review of the Council meetings and the Annual Members' Meeting. Full business was resumed with effect from 20 April 2021.

A PPI Policy and Procedure is also in place and reflects the requirements of the DOH guidance 'Real Involvement' and the comments from PPI representatives. Additionally, the Trust engages actively with three local Overview and Scrutiny Committees and continues to collaborate closely with the three local Healthwatch organisations. A Protocol for joint working with Healthwatch is in place and is reviewed annually and opportunities for joint working are agreed.

The Trust's comprehensive internet website provides the public with ready access to information across all areas of Trust activity and the organisation also uses its newsletter for members to inform the public of new developments and items of interest.

Quality Risks

The Trust also has in place a range of mechanisms for managing and monitoring risks in respect of quality including:

- The Trust agrees annual quality priorities;
- The Trust has in place a Quality and Safety Committee (a committee of the Board) which meets monthly and is chaired by a Non-Executive Director. The Quality and Safety Committee is responsible for monitoring performance against the agreed annual quality priorities and other quality issues. The minutes of the Quality and Safety Committee are submitted to the Trust Board. The Quality Governance Group in turn provides assurance on quality and safety activities to the Quality and Safety Committee;
- The Trust publishes an Annual Quality Account, which is subject to consultation with key external stakeholders. Whilst guidance was received in response to the pandemic during 2020/21, the Trust still consulted and published its annual quality account;
- Performance against key quality indicators are reported up to the Trust Board through the Integrated Performance Report and quality reports to the Quality and Safety Committee;
- The Trust Board has approved a Quality Strategy, a Quality Improvement Strategy and has introduced a Quality Improvement Training Faculty;
- The Trust has in place arrangements and monitoring processes via the Register of External Agency Visits, to ensure ongoing compliance with other service accreditation standards e.g. CPA, MHRA (for blood products) and HTA licences for mortuary and post mortems etc;
- The Trust's Quality Governance Group monitors performance with NICE guidance implementation and assurance relating to Patient Safety Alerts and other safety alerts received via the Central Alerting System. The Quality and Safety Committee approves any deviations from NICE guidance;
- The Medical Director has the lead for mortality supported by an appointed clinical lead. A Mortality Improvement Group, reporting to the Quality Governance Group, is in place and includes as part of its membership Divisional clinical leads, a Non-Executive Director and relevant external stakeholders;
- The Quality and Safety Committee retains a challenge and assurance role in respect of mortality ensuring that improvements are sustained or escalated appropriately. Reporting on mortality improvement to the Trust Board occurs through the Integrated Performance Report and, where relevant, through the highlight report from the Quality and Safety Committee. A key part of the Mortality Strategy centres on the NQB guidance on learning from deaths. During 2020/21 improvements in the process for screening a higher proportion of deaths for learning opportunities where made. However, the effect of the pandemic on availability of clinician time has impacted on the mortality review process when more detailed reviews using the Structured Judgement Reviews are required. Further work during 2021/22 will be focussed on feedback and sharing of themes and learning across the organisation;

- The Trust has in place robust methods of pro-actively looking for potential clinical harm, both through the standard Datix reporting system, but also in the risk stratification and tracking of our waiting lists and reviewing all patients waiting for a prolonged period of time on our waiting lists. This data is captured in a system called COBRA, and the output is overseen by QSC with a report being provided on a regular basis;
- End of Life has remained a high priority for 2020/21, with good engagement seen within divisions and a detailed plan produced which incorporates CQC actions, actions from local audits and learning from deaths. These feed into monthly NLAG End of Life Strategy meeting for monitoring. NHSE/I have worked alongside the Trust and key stakeholder partners across the system. End of Life will remain a key priority, as demonstrated by the retention of quality measures in the approved Quality Priorities for 2021/22. The Trust's End of Life Strategy Group reports into the Mortality Improvement Group, which in turn reports to the Quality Governance Group;
- The Trust has introduced a checklist for wards & departments, based on the 15 steps and aligned to the CQC Key Lines of Enquiry, ensuring the ongoing monitoring of key standards and the early identification and escalation or risk issues. This work has involved training of staff – including Board members – to be able to conduct peer review visits. The 15 steps visits and 'vulnerability walk rounds' to assess compliance with the relevant standards were suspended due to COVID-19. This is a priority for 2021/22;
- Some informal visits to wards and departments were undertaken during 2020/21 by executives and non-executive directors, but these were limited due to COVID-19 restrictions. These arrangements enable staff to showcase good practice but also talk directly to members of the Trust Board on quality & safety and other issues or concerns;
- Non-Executive Directors have oversight and assurance roles in respect of specific aspects of governance, quality governance and risk. These roles are reviewed annually;
- The Medical Director is the Trust Board lead for quality and safety although in discharging this responsibility works closely with the Chief Nurse (the Trust Board Lead for patient experience) and the Chief Operating Officer;
- The Chief Nurse developed and implemented 'The Future 5' – the 5 priorities for nursing for 2019/20 and these are being built on and consolidated within a Nursing Strategy;
- A nursing dashboard is in place to monitor the nursing contribution to safety and quality. This is supported by a Nursing Metrics Panel which ensures the early identification and mitigation of risk issues;
- The Trust has in place an annual safe staffing review process in respect of nursing and midwifery, which is reviewed by the Trust Board with ongoing monitoring undertaken by the Quality and Safety Committee;
- The Trust routinely considers and acts upon the recommendations of national quality benchmarking exercises, e.g. National patient surveys;
- The Trust acts upon patient feedback from complaints and concerns and from feedback from Patient and Public Involvement (PPI) representatives (e.g. Health Watch).

The effectiveness of the Trust's governance, quality governance and risk management arrangements also continued to be tested during 2020/21 via internal and external testing including internally via the Annual Internal Audit Programme (see **Appendix A)** and externally via relevant external reviews and visits.

CQC: Registration and Essential Standards of Quality and Safety

The Trust underwent its last CQC inspection in September 2019. The full visit report was published in February 2020. Arising from that inspection the Trust retained its overall rating of 'Requires Improvement' and moved from 'Inadequate' to 'Requires Improvement' for 'Well Led'. The Trust also received a rating of 'Requires Improvement' for 'Use of Resources', the first such assessment and a significant achievement given the Trust's financial 'special measures status. However, the Trust received a rating of 'Inadequate' in the 'Safe' domain'. This was due to ongoing waiting list backlogs in some specialties, the backlog in diagnostic reporting, concerns in relation to end of life care and some issues in the Trust's two emergency departments; specifically training, paediatric pathway, safe environment and sustaining improvements in ambulance handover. The Trust remains in quality 'special measures' and continues to benefit from the support package put in place by NHSI; specifically support from an NHSI Improvement Director to implement and embed the required improvements.

The Trust developed detailed improvement plans with Divisions in response to the CQC findings and following feedback from the CQC on our initial high-level improvement plans. The Trust strengthened its oversight and reporting arrangements with a monthly report on progress to the Performance Review and Improvement Meetings, the relevant Trust Board committees and the Trust Board.

The Quality Board brings together all relevant stakeholders to support the Trust in the delivery of its improvement plan, also continues to have oversight of delivery of the required improvements. The Trust will also report progress to and discuss any issues or concerns directly with the CQC through the monthly engagement meeting.

Whilst the Trust remains in quality 'special measures', the Trust has no conditions on its registration.

Workforce

The Trust has in place a NED chaired and populated Workforce Committee which is a sub-Committee of the Trust Board. Its focus is to seek assurance on all workforce matters including compliance against our people metrics and the delivery of the People Strategy and NHS People Plan. Meetings were reduced in 2020 because of the COVID response but meetings were held to deal with urgent business and ensure overall compliance with our legislative requirements such as our gender pay gap and modern slavery act.

Our annual workforce plan for the Committee is being reviewed so that we report and focus on the things that matter, identify workforce risks and challenges and show improvements.

The Trust continually reviews compliance with the safer staffing care standards ensuring that establishments and job plans are reviewed periodically, enabling the resource requirements for the delivery of safe care to our patients. The Trust has continued to invest in new clinical roles to supplement the clinical workforce during 20/21 which include Advance Care Practitioners, Nursing Associates, Care Navigators and Medical Support Workers.

In addition, the Trust has worked closely with NHSE/I in the recruitment of international registered nurses to supplement the domestic workforce supply and have achieved the target reduction of Health Care Support Worker vacancies to an operational zero status.

NHS Pension Scheme

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

Equality, Diversity and Human Rights

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust has an Equality and Diversity Strategy which encompasses our Equality Objectives. Our Equality Objectives focus on achieving legal and contractual compliance and progress against them is reported to Trust Board and our commissioners bi-annually by our dedicated Equality and Diversity lead. The organisation has an Equality Impact Assessment (EIA) policy and procedure which ensures the integration of EIAs into Trust core business and to support this training continues to be delivered across the Trust.

Carbon Reduction

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Trust has reviewed the Sustainable Development Management Plan (SDMP) following the launch of the "*For a Greener NHS"* campaign in January 2020. In October 2020 The NHS, recognising the significance of the climate emergency, stating this is also a health emergency which will disrupt care, affect patients and the public throughout every stage of our lives, released the Delivering a "Net Zero" National Health Service (October, 2020) report.

The Trust has built upon the “Net Zero NHS” report to create the Northern Lincolnshire and Goole NHS FT Green Plan (2021/22) replacing the previous SDMP. The Green Plan utilises the Net Zero report to produce a document with which we can guide the Trust to address both the emissions we control directly, and the emissions we can influence, working towards a Net Zero target by 2040 for directly controlled emissions, and 2045 for emissions we can influence.

We have worked to understand our carbon footprint as an organisation utilising the reporting methods available, having agreed a start point for understanding our road to Net Zero using the 2018/19 data as a baseline assessment.

The Green Plan incorporates a working action plan to address our progress towards Net Zero, a document which will grow as the impact of our work, projects and capital investments develop. A significant reduction of our Trusts carbon footprint will be addressed during 2021 as a result of the Trust successfully securing a Public Sector Decarbonisation Scheme (PSDS) grant totalling £40,356,174. Working closely with our Partners ETL, and Breathe Energy, the grant has enabled the development of two Energy Performance Contracts (EPC). Including energy partners Centrica (EPC 2), the EPC’s will work to replace the coal fired boiler at Goole, in addition to energy improvement and replacement works at Scunthorpe & Grimsby to include, de-steaming the heating system at Scunthorpe General Hospital to Low Temperature Hot Water (LTHW), a review of our windows, roofing efficiencies, LED Lighting, PV Solar Power systems, Electric Vehicle (EV) charging and upgrades to our Building Management Systems (BMS).

Our reporting processes are robust and will ensure the Trust complies with the UK Climate Change Act (2008) projections for the reduction of carbon. In addition to this, working with partners to reduce energy consumption, the Trust will be supported in the development of a road map to Net Zero, ensuring we comply with the targets set within the Net Zero report. This road map will be incorporated into the Green Plan advancing from 2022/25, and beyond.

The Trust has appointed a lead for Sustainability, and this role will combine the technical experience within the Energy and Information team, Logistics, Waste, Procurement, and Clinical colleagues to embed Sustainability into the Trust. It will be an objective of the Sustainability team to not only deliver technological solutions to reduce carbon, but to encourage an approach to service delivery which recognises the Green agenda and its positive impact on health, communities, and earth.

Conflicts of Interest

The Trust maintains a register of Directors’ interests which is reviewed by the Trust Board annually and is published through the Trust Board public meeting papers and within the Trust’s Freedom of Information publication scheme. The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for other decision-making staff (as defined by the Trust with reference to the *‘Managing Conflicts of Interest in the NHS’* guidance) within the last twelve months.

Business Continuity

The Trust has in place robust emergency preparedness and business continuity arrangements, which are considered and signed off by the Trust Board annually. These arrangements have been tested in response to the COVID-19 pandemic crisis.

Revised corporate governance arrangements and structures were put in place to support decision making in relation to both the immediate crisis and the urgent business as usual items.

The Trust implemented command and control arrangements. In order to ensure both organisational and individual resilience, specifically in respect of those leading the Trust's response given the likely duration of the crisis, these arrangements are continuously reviewed in line with NHSE's emergency planning guidance and instructions.

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

The Trust's clinical activities are managed under a devolved management structure, governed by a scheme of delegation renewed and refreshed annually. The Trust has in place a clinical management structure to support effective leadership of clinical services and ensure effective care.

The Clinical Divisions report to the Chief Operating Officer, but the Clinical Directors within each clinical division also have a professional reporting line to the Medical Director. Each Clinical Director has a team of clinical leads covering individual service areas. The Trust has in place a system of monthly Performance Review meetings with each Division, which cover quality, finance and performance issues.

The Finance Directorate provides dedicated support to each clinical division and non-Clinical Directorate through nominated Business Accountants. Historically, business planning was led by the Trust's Improvement Programme Director but more recently responsibility for this area has moved to the Chief Operating Officer. The Trusts also employs a Director of Strategic Development whose role is to provide a close link between the Trust and the Humber Coast and Vale ICS focussing on strategic service development in the longer term. Plans are being developed to transform and streamline the way in which services are delivered ensuring patient care is provided closer to home limiting unnecessary and sometimes expensive hospital attendances.

The Trust continues to adopt a project-based approach to savings delivery. The Trust has enhanced governance and oversight arrangements in respect of savings delivery coupled with comprehensively documented plans. Savings are subject to a full Quality Impact Assessment sign off process undertaken jointly by the Chief Nurse and Medical Director.

The Trust maintains focus on performance management. Directorates and Divisions are responsible for the delivery of agreed financial and other performance targets through a system of performance agreements, documented as part of the annual business planning cycle and monitored through a series of regular performance review meetings. During 2020/21 the Trust did not meet all its constitutional and other regulatory performance requirements, namely:

- *A&E:*

Whilst the Trust did not treat as many patients within 4 hours than in the previous year (2019/20 115,877; 2020/21 99,918) the performance improved in January and February 2020. The COVID-19 pandemic then affected the ongoing improvements and therefore performance during 2020/21 remained problematic. Recovery actions have been in place, and although these have not continuously delivered improvement, they have contributed to an ability to manage the challenges of the pandemic. The Trust showed a significant improved position through to the end of Quarter 2. From Quarter 3 the position deteriorated, directly related to the increased demand on the two departments where clinical care required a new approach to streaming and the segregation of patients to protect them from the covid19 infection risk. Demand at this time was at almost pre-COVID-19 levels and the environment for both departments (modified to cope with COVID IPC constraints) struggled to cope with safely meeting this demand with the March 2021 position of 72.2% and a current position (12-19 April 2021) of 73.2%. The Trust continues to work through its developments to improve it response to urgent and emergency care demands.

- *Cancer Performance:*

Whilst the Trust continues to deliver against the 2 Week Wait target, compliance with the 62 day cancer metric remained below target during 2020/21. Tertiary capacity also continues to be very stretched. The Trust continues to focus on its improvement efforts, including collaboration with Hull University Teaching Hospitals. The COVID-19 pandemic has impacted on our ability to manage and treat patients with cancer. That said, our 62 day cancer performance through 2020/21 was 78.1%. The Trust maintained cancer treatments and outpatients throughout the pandemic. Work is underway to assess the impact on planned improvement trajectories and to assess the risk to patients waiting. The Trust is also an active participant in the Humber, Coast & Vale Cancer Alliance, who is reviewing all cancer pathways across the region.

- *RTT & OPD Follow-ups:*

During 2020/21, The Trust continued to make progress against all waiting list metrics. In relation to RTT, performance has averaged 61.4% for 2020/21 as the amount of elective surgery and outpatient procedures dropped compared to previous years. Out-patient transformation plans have contributed to a reduction in overdue follow-ups. However, the Trust has continued to see 52 week waits (March 2020 4/ February 2021 1,287) due to patient choice and as a result of the Covid-19 pandemic with these pathways, data and validation ensuring the quality and transparency of this activity. Capacity issues remain specifically in ENT, Ophthalmology and Gastroenterology. Work is underway to assess the impact on planned improvement trajectories.

The risk to patients waiting has been assessed in line with national guidance from the various Royal Colleges. All patients have been categorised into priority waiting lists to mitigate the risks to patient waiting from the perspective of clinical harm. (A combination of the implementation of advice and guidance and the use of technology to support out-patient appointments has contributed to minimising the growth of the waiting list during the COVID-19 pandemic period, with non-face to face appointments increasing by 50%.).

[**Note:** In respect of performance improvement generally, understandably, the Trust's plans for 2020/21 have been impacted on by the COVID-19 Pandemic. In order to understand this and plan for recovery, an Activity Recovery Board (ARB), which reports into Trust Management Board, has been set up with a number of workstreams looking at elective care, out-patients, cancer, diagnostics and activity & performance. This is underpinned by a draft Trust operating framework (which is revised monthly or more frequently if required) to take into account the national, regional and local learning and infection control requirements across the entirety of the Trust's service delivery.]

The Finance and Performance Committee provide the detailed scrutiny and challenge in respect of performance – including, A&E, cancer, RTT & OPD Follow Ups and waiting list performance; with reporting to the Board through the Integrated Performance Report and highlight report from the Finance and Performance Committee. Improvement actions are also monitored through the system-wide A&E Delivery Board with stakeholder support being seen as key to a return to improvement trajectory.

The Financial Plan adopted annually by the Trust Board reflects the strategic framework set out each year by NHSE/I. It sets out the mechanisms by which the key risks emanating from the strategic context are to be managed. The plan reflects the national planning context and its application at a regional level. The plans are developed and agreed as part of an overarching approach to financial governance that spans the Humber Coast and Vale ICS.

The Trust's Finance and Performance Committee provides assurance to the Trust Board as to the achievement of the Trust's financial plan and, in addition, it acts as the key forum for the scrutiny of the robustness and effectiveness of all cost efficiency opportunities. It interfaces with other Trust Board committees and the Trust Executive Team. It provides this assurance through scrutiny of regular reports and deep dives into areas of particular concern.

Governance and control is further assured through quarterly monitoring and annual planning processes with internal and external auditors. Each year the Trust agrees a risk based internal audit programme designed to provide assurance and to encourage improvement across the full breadth of the Trusts activities. The Trust understands that delivering effective quality outcomes for patients within agreed resources is the main priority for the Trust. The Trust is proactive and continuously reviews and realigns its structures where necessary, to allow it to adapt and respond to the rapidly changing business environment brought about by the changes in the economy, the NHS environment, competitive markets and patient pathway best practice.

As part of its 2019 CQC inspection process the Trust underwent its first Use of Resources Assessment. Despite receiving a rating of 'Requires Improvement' the Trust was not judged as being able to exit its financial special measures status. In 2019/20, the Trust achieved its financial control total and over-delivered on its significantly challenging cost improvement programme target of £20m. Building on this, the Trust has gone on to achieve the financial targets set by NHSE/I for the 2020/21 financial year and is now looking to deliver a balanced financial plan across the Humber Coast and Vale ICS as we enter 2021/22.

The Trust continues to work to secure a more consistent supply of appropriately skilled and qualified staff to carry out front line service delivery. To support this work an overarching People Strategy was ratified by the Trust Board in June 2020.

6. INFORMATION GOVERNANCE (IG)

The Trust continues to strengthen its arrangements for Information Governance and has the following arrangements in place:

- an active Information Governance Steering Group which meets monthly;
- an Information Governance Strategy and collection of Information Governance related policies along with a number of dedicated IT Security policies;
- a dedicated Data Protection Officer is in post;
- a newly appointed IT Security Manager;
- the Trust continues to monitor Information Governance Incidents to ensure that if required they are reported to the Information Commissioner's Office (ICO) within 72 hours;
- complete and submit the new Data Security & Protection Toolkit (DSPT) work programme by June 30, 2021;
- Annual audit of the Trust's compliance with the Information Governance / DSPT undertaken by Internal Audit 2021/22.

The Information Governance Steering Group, which is chaired by the Data Protection Officer, monitors the Trust's compliance with National Data Protection Regulations and with the DSPT, which encompasses the National Data Guardian standards. The new DSPT also covers Cyber Security Essentials. This group reports to the Audit Risk and Governance Committee which reports directly to the Trust Board. The Trust's Audit, Risk & Governance Committee receives a regular highlight report from the Information Governance Steering Group including details of audits undertaken and subsequent recommendations and actions for further improvement.

The continued work on the action plan will be closely monitored by the Information Governance Steering Group.

The Trust continued to respond to Freedom of Information (FOI) requests through the pandemic. For the first time in a number of years the Trust breached the 20 day deadline to respond to some requests. This was mainly due to clinical and other staff focusing on responding to the pandemic and not having the time to respond within deadline. The Trust also struggled to respond to some requests in full because of the lack of electronic record keeping, particularly in relation to patient deaths and recording cause of death. The Trust was referred to the Information Commissioner's Office (ICO) once during the course of 2020/21. This referral related to information about the cause of death of patients who had contracted COVID-19. The ICO found the Trust is entitled to rely on section 12(1) of the FOI Act, which states the cost of compliance exceeds the appropriate limit. However the Trust was asked to work with the requester on what information it could provide and was actively doing this at the time of writing.

7. DATA SECURITY AND PROTECTION INCIDENTS

All incidents reported within the organisation were investigated and appropriate action taken. This could be the strengthening of policies or a change to process. Lessons learnt are disseminated through face to face Information Governance Awareness Training and through staff briefings. The incidents are reviewed monthly by the Senior Management Team and action plans agreed.

During 2020/21, the Trust, using NHS Digital's Incident Reporting Guide and Tool developed in conjunction with the ICO, reported five Data Security and Protection Incidents:

- One of these incidents was not required to be reported to the ICO;
- Four of these incidents were reportable and required 'no further action' by the ICO.
  - Two of these incidents relate to inappropriate access by staff to electronic records
  - One relates to the sharing of a referral to an independent occupational health provider without obtaining appropriate consent
  - One relates to unredacted disciplinary hearing bundles being shared with a Trust disciplinary panel.
- The Trust received a final response of 'no further action to be taken' to an incident which was reported to the ICO in February 2019. This related to a clinical system technical failure.

Data Security

The following arrangements are in place:

- An IT Security Manager was successfully recruited and in post in the 4th quarter of 2020/21;
- a security feature at login to the Trust network, giving guidance to users and requiring acceptance of 'rules of use'; this is to be further strengthened following the recent review and updating of the duty of confidence statement that all new starters complete as part of their induction process.

Key points of the duty of confidence declaration, specifically those sections relating to users' responsibilities will be added to the log-in screen of the Trust's network. The review and acceptance of the duty of confidence will also be an ongoing reminder, as well as at the commencement of an employee's work in the Trust;

- IT policies which take account of updated national requirements are reviewed annually;
- a 'best practice' IT security awareness leaflet alongside a dedicated email security and best practice leaflet;
- all computer hard drives are physically destroyed on decommissioning prior to disposal;
- released security patches are rolled out in a timely manner;
- NHS Digital CareCert Notifications are reviewed and actioned, where relevant.
- annual Penetration Test is conducted and scheduled for completion by end April 2021;
- third party Security Operations Centre (SOC) remote monitoring;
- the encryption of all removable / portable devices including laptops, USB pens and CDs, specifically:

- laptop encryption has been completed on all laptops / clinical tablets;
- encrypted USB pens have been allocated to staff;
- no machines are purchased with floppy drives as standard and port blocking software has been implemented;
- CD/DVD writers are not issued as a standard piece of equipment. Where the use of these writers is required, the creation of data on these devices is covered by Trust policies;
- the creation of data on PACs CDs is governed by Trust policy and encryption ability is available. Tracking procedures are in place for CDs sent off site;
- the encryption of all new desktop hard drives that have been purchased since 2021.

8. DATA QUALITY AND GOVERNANCE

The following measures are in place to assure the Trust Board that appropriate controls are in place to ensure the accuracy of data:

Governance and Leadership:

- The Chief Information Officer (CIO), who is a Non-voting Member of the Trust Board, commenced in post November 2020 and is responsible for ensuring that arrangements are in place for providing timely, accurate and appropriate information and performance data.

- The Chief Information Officer is responsible for ensuring that there are mechanisms in place for assuring the quality and accuracy of the performance data including external testing as appropriate.

- The Digital Strategy was completed and approved by the Trust Board in January 2021.

Policies and Plans in ensuring quality of care provided:

- Policies and procedures are in place in relation to the capture and recording of patient data.

Systems and Processes:

- Systems and processes are in place for the audit and validation of performance data. These will be further enhanced with the planned data warehouse upgrade in 2021.

- Following the independent audit of the Trust's data business rules, which was undertaken as a result of a number of RTT clock stop errors experienced during 2019/20, an action plan was developed in response to the recommendations made. The actions to address the high-risk recommendations have been implemented. The Trust continues to work on the lower priority actions. The planned replacement of both the Data Warehouse and the Patient Administration System will provide the Trust with the opportunity to review all the systems business rules, which will provide further reassurance on the accuracy of these.

- The Trust will re-audit the waiting list within the next 6 months, to ensure no further errors are present.

People and Skills:

- All staff involved in collecting and reporting on quality metrics are suitably trained and experienced.

- All PAS users have to receive training before being issued a password, and individual user activity is auditable.

- Clinical Coding is regularly audited both internally and externally and audits also take place with individual clinicians.

Data Use & Reporting:

- A monthly Integrated Performance Report which outlines the Trust's key performance indicators (KPIs) including benchmarking and comparative data is submitted to the Trust Board monthly with the detailed review and challenge taking place at Trust Board sub-committee level first. A refresh of the Integrated Performance Report and reporting on the KPIs was completed during 2020/21 following advice and input from the NHSE/I Analytics Team, who also provided a session for the Trust Board on 'Making Data Count for Trust Boards'.

9. REVIEW OF EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Northern Lincolnshire and Goole NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the performance information available to me. My review is also informed by comments made by the external auditors in their Management Letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, the Audit, Risk & Governance Committee and the Quality & Safety Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work (**Appendix A** refers). The BAF and the monthly Integrated Performance Report provide me with evidence that the effectiveness of the controls in place to manage the risks to the organisation achieving its principal objectives have been reviewed.

Maintenance and review of the effectiveness of the system of internal control has been provided by comprehensive mechanisms already referred to in this statement. Further measures include:

- Regular reports to the Trust Board from the Trust's BAF and Risk Register including review and challenge through the relevant Board sub-committees.
- Regular risk management activity reports to the Trust Board assurance sub-committees and / or the Trust Board covering incidents / SIs, complaints/PALS and claims analysis and including details of lessons learned / changes in practice.
- Receipt by the Trust Board of minutes / reports from key forums including the Audit, Risk and Governance Committee, Finance and Performance Committee, Workforce Committee and the Quality and Safety Committee.
- The ongoing development of the BAF and Risk Register is tested through the Internal Audit Programme.
- Annual independent external review by the Internal Auditors of the Trust's board assurance and self-certification processes.
- The provision and scrutiny of a monthly Integrated Performance Report to the Trust Board, which covers a combination of specific KPIs and priorities and including the identification of key risks to future performance and mitigating actions. The Trust's performance management arrangements were further strengthened during 2020/21 including the implementation of more structured Performance Review Improvement Meetings covering finance, performance, quality and governance.

The validity of the Annual Governance Statement has been provided to me by the Audit, Risk and Governance Committee, which has considered and commented on this statement, and by the external auditors.

All of the above measures serve to provide ongoing assurance to me, the Executive Team and the Trust Board of the effectiveness of the system of internal control.

The above measures also ensure that any internal control issues are identified. During 2020/21 significant internal control issues arose in three key areas, namely Finance and Sustainability, CQC, Information Governance and Performance – further details are provided below.

10. CONCLUSION

In conclusion, the following significant internal control issues arose or continued during 2020/21:

Finance and Sustainability

Whilst the Trust achieved its 2020/21 Control Total, the Trust remains in breach of its Licence, specifically conditions CoS3 (1) (a) and (b), CoS3 (2) (c), and FT4 (5) (a),(d), and (f), and remains in financial 'special measures.

Prior to the impact of COVID-19, the Trust had been set a challenging trajectory for financial recovery by NHSE/I and was on the verge of successfully completing the first years' target. The incidence of the pandemic and the consequent impact for the organisations activities and finances remains unknown. The Trust was successful in achieving the financial targets set by NHSE/I during 2020/21 and is now working hard to agree plans across the Humber Coast and vale ICS that will return the organisation back onto a secure financial footing in the medium term.

Looking ahead this remains a significant risk due to the level of uncertainty regarding the level of clinical activity that the organisation can deliver in a cost effective, post-COVID environment.

CQC

As outlined in section 4, whilst the Trust retained its overall rating of 'Requires Improvement', with a rating of 'Inadequate' in the 'Safe' domain'. This was due to ongoing waiting list backlogs in some specialties, the backlog in diagnostic reporting, concerns in relation to end of life care and some issues in the Trust's two emergency departments; specifically training, paediatric pathway, safe environment and sustaining improvements in ambulance handover. An improvement plan is in place and ongoing with greater internal assurance mechanisms with regular input from CQC. This is overseen by Divisions and also by the committees of the Board on a monthly basis and regular reporting to Board.

Information Governance – Data Breaches

As outlined in section 6 above, since the end of 2020/21 and up to the date of publication of this report, the Trust has identified one further potential data breach, and is currently awaiting a response from the ICO. This relates to the disclosure of personal information to unauthorised 3rd parties.
The outcome of any ICO involvement will be reported in the report for 2021/22.

Performance

As outlined in section 5, the COVID pandemic affected the ongoing improvements and performance during 2020/21 in A&E, Cancer and RTT & OPD Follow Ups; and this has continued up to the date of the publication of this report. The Finance and Performance Committee provide the detailed scrutiny and challenge in respect of performance – including cancer, A&E, RTT and OPD Follow Ups performance, reporting to the Board through the Integrated Performance Report and a highlight report from the Finance and Performance Committee.

There remains a significant risk due to the level of uncertainty regarding the level of clinical activity that the organisation can deliver in a post-COVID environment, and the achievement of constitutional and regulatory performance requirements.

Signature:

Chief Executive and Accountable Officer: Dr Peter Reading
Date: 11 June 2021

Appendix A: Head of Internal Audit opinion on the effectiveness of the system of internal control at the Northern Lincolnshire and Goole NHS Foundation Trust for the year ended 31 March 2021

The whole Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is an annual statement by the Accounting Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accounting Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process;
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's Assurance Framework should bring together all of the evidence required to support the Annual Governance Statement requirements.

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit (HoIA) is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control).

This is achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led Assurance Framework. As such, it is one component that the Board takes into account in making its Annual Governance Statement.

The Head of Internal Audit Opinion

My opinion is set out as follows:
1. Basis for the opinion;
2. Overall opinion;
3. Opinion Definitions
4. Commentary.
5. Considerations for your Annual Governance Statement
6. Looking Ahead

1. The basis for forming my opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and
- An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses,
- An assessment of the organisation's response to Internal Audit recommendations, and the extent to which they have been implemented.

Unless explicitly detailed within our reports, third party assurances have not been relied upon.

2. Overall Opinion

Our **overall opinion** for the period 1st April 2020 to 31st March 2021 is:

> **"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".**

3. Opinion Definitions

The following potential opinion levels are available when determining the overall Head of Internal Opinion. These levels link closely with our standard definitions for report opinions:

Opinion level	HOIA Opinion Definition
High (Strong)	High assurance can be given that there is a s strong system of governance, risk management and internal control designed to meet the organisation's objectives and that controls are being applied consistently in all areas reviewed.
Significant (Good)	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.
Limited (improvement Required)	Limited assurance can be given as there are weaknesses in the design and/or inconsistent application of the framework of governance, risk management and internal control that could result in failure to achieve the organisation's objectives.
Low (Weak)	Low assurance can be given as there is a weak system of internal control and/or significant weaknesses in the application of controls that will result in the failure to achieve the organisation's objectives.

Where limited or low assurance is given the management of the Trust must consider the impact of this upon their overall Board Assurance Framework and their Annual Governance Statement.

4. The commentary below provides the context for my opinion and together with the opinion should be read in its entirety.

The design and operation of the Assurance Framework and associated processes.

An audit of the Governance Framework, operation of the Assurance Framework and associated Risk Management processes has been undertaken in 2020/21. The audit has confirmed that the Assurance Framework is fit for purpose and is designed to provide the Board with sufficient and timely assurances on its system of internal controls to manage its strategic risks. Arrangements are in place to provide sufficient oversight of the Assurance Framework. The Assurance Framework as designed in accordance with NHS requirements and meets all the elements required. The Assurance Framework covers the organisation's key risks. The BAF and strategic risks are reviewed by the relevant Board Sub Committee each month and by the Audit, Risk and Governance Committee quarterly and Trust Board each meeting. The BAF is supported by a developed risk management process and a structure is in place to escalate risks from directorate to corporate level. However, the BAF, which was last substantially revised in 2019, is now considered by senior management to have reached a position where the sheer level of detailed risks is obscuring how the strategic risks are being managed. Management have highlighted to us some concerns with the format of the BAF, rather than the underlying process. The Trust has been working with a representative from NHSE/I to develop a revised BAF format that better meets the Board's need for the BAF to provide a clear and concise overview of the key risks and how these are being managed.

The Assurance Framework clearly reflects the impact of COVID-19 on the organisation.

The audit has confirmed that the Trust has appropriate and effective controls in place to ensure that risks are recorded, reviewed, updated and reported on, with escalation where appropriate and has established clear processes for reviewing risk registers and for tracking progress on addressing risks.

The range of individual opinions arising from risk-based audit assignments, contained within risk-based plans that have been reported throughout the year.

Core & Risk Based Reviews Issued

We issued:

0 **high** assurance opinions:	N/A – no reviews received High Assurance
12 **significant** assurance opinions:	National Cost Collection COVID-19 Cost Declaration Private Practice Follow Up Revised Governance Arrangements Core Financial Controls - Draft Waste Management Recycling Board Assurance Framework Roll Out of Electronic Prescribing (ePMA) Sickness Absence Management Breach to Non-Breach Adjustments CQC Compliance Register of External Agency Visits
5 **limited** assurance opinions:	Medical Staff Personnel Files Follow Up Procurement Compliance Mental Health Act A&E Performance IT Business Continuity
0 **low** assurance opinions:	N/A – no reviews received High Assurance
3 review without an assurance rating	Data Security & Protection Toolkit – Stage One Report *Fraud Prevention Notice – Mortality – Draft* Fraud Prevention Notice - Continence

Follow Up

113 Internal Audit recommendations have been live during 2020/2021 (this includes recommendations from previous years' reports that were still live at 1 April 2020). During the course of the year we have undertaken work to track the implementation of Internal Audit Recommendations. The Recommendation clear up summary 2020/21 was as follows:

Overdue	Overdue with Revised Date	Not Yet Due	Implemented	Total	% Overdue
6	27	1	79	113	5%

We can conclude that the organisation has made reasonable progress with regards to the implementation of recommendations. The majority of recommendations are implemented on a timely basis. There is a small core of recommendations that are overdue in comparison to their original agreed action date. We can confirm that have received appropriate support from the Executive Directors in relation to these and these recommendations have been regularly reviewed by the Audit, Risk and Governance Committee throughout the year.

Limited Assurance and Low Assurance Opinion Reports 2020/21

Whilst a significant overall opinion has been provided, attention is drawn to the fact that four final reports have been issued in 2020/21 with a "limited assurance" opinion.

Medical Staff Personnel Files Follow Up – This follow up review found that further work is required in order to ensure that recruitment files are complete and up to date for all current and former medical staff. Our review found that of the seven recommendations included in our previous Medical Staff Personnel Files Report (N2019/05), three are considered to have been fully implemented whilst four recommendations have not yet been implemented. No further updates have been received in relation to these outstanding recommendations, so it appears that the recommendations and original risks are still outstanding at year end.

Procurement Compliance – Our review found that the Trust's Standing Financial Instructions provide a framework for the procurement of goods and services, whilst the Procure to Pay (P2P) Policy describes the procurement processes in place – an electronic process for goods ordered through the NHS Supply Chain and a paper-based process for other goods and services. Reports in relation to contracts progress and PO compliance have been routinely submitted and discussed at meetings of the Audit Risk and Governance Committee during 2020/21. However, progress to reduce the number of high value contracts that have expired or are due to expire in the next 18 months and to improve the rate of PO compliance has been limited. Further action is therefore required in order ensure that progress is achieved on both of these issues.

Mental Health Act – This review found that whilst the Trust is aware of a number of areas of weakness in relation to compliance with its responsibilities under the Mental Health Act 1983 (MHA) towards detained patients in its general hospitals and is actively working to address these, currently it does not have effective arrangements in place to monitor and maintain compliance.

The review was completed late in the year and therefore the Trust has not had time to address the recommendations raised in the report. The Trust has signed up to the action plan included within the report.

A&E Performance - Our review found that processes are in place to collect, validate and monitor A&E performance indicator data, and that performance data produced by the Trust in relation to the A&E 4 hour wait performance target was consistent with data reported internally and externally by NHS England/NHS Improvement.

Testing of 40 Emergency Care Centre (ECC) attenders during the period January to August 2020 found that arrival times were consistent with relevant ECC casualty cards or ambulance reports in 17 cases. However, in the remaining cases arrival times were either inconsistent with the relevant casualty card/ambulance report or there was no ambulance report available. Testing also found that arrival times had not been adjusted to ambulance handover time (or ambulance arrival at destination time + 15 minutes) where relevant. Internal Audit estimate that had the arrival times been adjusted 8 of the sampled ambulance arrival cases would have breached the 4 hour performance indicator target.

A delay between the time at which a patient is recorded as discharged from ECC and the time at which a patient is recorded on the Trust's Patient Administration System (PAS) is expected in most cases. However, in 9 out of 24 cases the admission record and/or clinical record was not created until at least 30 minutes following the time of ECC discharge. In cases where the patient was discharged home from ECC no further documentation was available to further substantiate the discharge time recorded on Symphony.

IT Business Continuity - Senior management within the Digital Services Team were open with Internal Audit at the time of this review and recognised that there was work required to ensure that the Trusts IT BC arrangements were sufficiently robust: This is reflected in the fact that the Trust Board Assurance Framework (BAF) includes a strategic risk that "the Trust's digital infrastructure may adversely affect the quality, efficacy or efficiency of patient care", a risk owned by the Chief Information Officer (CIO) and scored at 12 against a target of 6, and by the fact that the team maintain a comprehensive and detailed risk register that includes nine risks, three of which are rated 'High', that are directly or indirectly related to Business Continuity (BC) or Disaster Recovery (DR) matters, along with a number of other cyber related risks that could potentially impact on IT continuity.

The Digital Services Team have already commenced activity to address the above risks, not least through the procurement of an IT Systems Management (ITSM) application that will provide for the creation of an enhanced IT Services Asset Register, and the appointment of an IT Data Security Manager who has responsibility for developing a programme of IT system BC / DR testing and ensuring adherence to this programme.

Following our review we concur with management's view that the IT BC and DR arrangements require review and enhancement, and we have met with management to discuss the key areas for attention as we see them. We believe that the recommendations within this report will help support the Trust to reduce its risk exposure in this area.

In addition, the following "limited assurance" reports from previous years were still extant at the start of 2020/21:

Medical Staff Personnel Files – this audit was followed up and received Limited Assurance for the follow up audit, see section above. The key issues raised in the original report are still outstanding at yearend.

Divisional Management and Accountability – follow up of recommendations made in this report confirmed that all recommendations have now been implemented.

Data Security and Protection Toolkit - The review in 2019/20 confirmed that, whilst elements of the Trust's Data Security and Protection Framework are operating in accordance with the Toolkit standards, areas of weakness remain which prevent the organisation from being fully compliant.

Looking Ahead

This opinion is provided in the context that Northern Lincolnshire and Goole NHS Foundation Trust like other organisations across the NHS continues to face a number of challenging issues and wider organisational factors particularly with regards to the ongoing pandemic response and COVID-19 recovery. The COVID-19 pandemic led to changes to the NHS financial framework, the establishment of the control and command structures both regionally and within individual organisations and an ongoing focus on the emergency response. This has required NHS organisations to operate in a different way to previous 'business as usual' practice. Guidance was clear that financial constraints must not stand in the way of taking immediate and necessary action but that there was no relaxation in fiduciary duties.

Bold decision making will continue to be needed as organisations recover from COVID-19 whilst at the same time maintaining due focus on governance, probity and internal control. The maintenance of robust financial and organisational control is at the heart of the Head of Internal Audit Opinion and we will continue to work with the organisations we serve to provide timely advice and insight throughout 2021/22.

During the COVID-19 response, there has been an increased collaboration between organisations as they have come together to develop new ways of delivering services safely and to coordinate their responses to the pandemic. This focus on collaboration will continue as the NHS progresses on its journey towards integrated care systems.

Audit Yorkshire has refreshed its planning approach for 2021/22 to take account of the impact of COVID-19 and the moves towards integrating care. Our plans for 2021/22 therefore focus on post-COVID recovery, on how our work can make a real difference on Patient Care and on maximising opportunities for sharing knowledge and learning. In particular, the strategy we have adopted has ring fenced provision in plans to carry out co-ordinated audits across all Audit Yorkshire Members and clients, or at Place, ICS or Sector level. Our plans for 2021/22 leave us very well placed to support organisations in their delivery of the six key priority areas listed in the NHS Operational Planning Guidance issued on 25 March 2021.

Helen Kemp-Taylor
Head of Internal Audit and Managing Director
Audit Yorkshire
May 2021

The Health Tree Foundation

The Health Tree Foundation (HTF) is the Trust's charitable arm, raising funds and managing donations across all three hospitals and in community services. Charity Manager Clare Woodard reflects on the work of the charity in the 2020/21 financial year below.

We could never have predicted what 2020 had in store in early January as we embraced a new and exciting year full of plans for big fundraising events, public engagements, fundraising appeals and staff activities. We had three newly launched fundraising appeals with a combined target of £450,000 – the IMAGE appeal, raising funds for a new MRI experience at Diana Princess of Wales Hospital, Grimsby, and the therapy garden appeal for Goole hospital, as well as the dementia friendly wards appeal which would benefit patients across all three Trust hospital sites.

In January 2020, we were delighted to officially open the newly refurbished Headway Salon at Scunthorpe General Hospital. The wish was submitted to us because patients who required wig fitting did not have a suitable room to use. The team identified a small office which they wanted to turn into a proper hair salon for the patients going through a traumatic time in their treatment, complete with mirrors and vanity units.

Health Tree Foundation (HTF) helped to re-model the whole area and the end result was wonderful. HTF invested £3,000 bringing this project to life and the patients and volunteers are thrilled with the results. The Headway Salon – which provides wigs and scarves for patients who have lost or are losing their hair – is a lifeline for people at what can be a very emotional time.

Karen Fanthorpe, general manager for community and therapy services, said: "It has been great to see this come to fruition. It is really important that we have a pleasant space for patients at that point in their treatment when they need a wig. The services that the Headway Salon provides will transform the lives of patients at what is a very anxious time for them."

By March, the world was a very different place. The shutters came down, events were cancelled and the country locked down. As a charity supporting the NHS, we had to adapt and change in order to support those colleagues on the frontline who needed us, as well as the hundreds of patients in our hospitals who were no longer able to have visitors.

From the beginning of the pandemic, it became clear that people wanted to help the NHS. We were inundated with offers of financial donations, gifts, and offers of help. People were getting in touch asking what they could do. Local businesses, community groups and members of the public went above and beyond to help us during those first difficult few months and even now a year later, we are humbled and grateful for the endless acts of kindness and generosity we received at the peak of the crisis.

With the generous support of the local community as well as national fundraising through NHS Charities Together, thanks to the valiant efforts of Captain Sir Tom Moore, we were able to supply care packs to the hardworking doctors and nurses.

We also funded “wobble” rooms where staff could take a well-earned break. We have bought equipment for the wards including communication devices to allow patients to video call their relatives. We have supported black and minority ethnic communities to gain access to health support during the pandemic and have supported NHS staff wellbeing projects.

During the summer, staff regularly received cold drinks, ice creams and other treats to keep their spirits up and as a thank you, every member of staff received a special commemorative pin badge to recognise their efforts. For dementia patients, Health Tree Foundation has been able to fund RITA machines for the wards, which help patients coping with memory loss. We have brightened up waiting rooms and funded specialist furniture for cancer patients.

We have worked closely with the NLaG patient experience team who have handed out hundreds of knitted hearts and condolence cards to families who have lost loved ones due to Covid. Local community groups such as the Marshlands Sewing Brigade provided staff with beautiful handmade scrubs.

The year was a year of unimaginable lows and unexpected highs; we can’t thank the local community enough for their support, friendship and love shown to us in the darkest of days. We will be forever grateful to each and every person who helped us and made such a big difference when we needed it the most, and although the year didn’t turn out as we’d planned, we were still able to deliver more than £1 million into the Trust.

Money raised from the Rear into Gear fundraising campaign meant we were able to purchase two state-of-the-art HD laparoscopic camera systems to enable our expert consultants to perform laparoscopic (keyhole) surgical procedures on patients with bowel cancer and those needing similar types of surgery.

Thanks to donations, £200,000 was raised which meant we were able to directly help patients in our local hospitals.

We have come a long way so far with bowel cancer-related laparoscopic surgeries. The new equipment will enhance our ability to perform more complex surgeries and provide greater benefits for our patients. This new equipment means more patients have quicker recovery times and reduced scarring following their operation due to the equipment allowing for a less traumatic procedure. Better picture definition means shorter theatre times and more patients can be seen to be operated on — approximately 1,100 people will benefit over five years with this new equipment. Without amazing fundraisers and supporters, this would not be possible.

Thank you to everyone who donated – whether that was time, money or good – it really has been very much appreciated.

The Independent Auditor's Report

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

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Northern Lincolnshire and Goole NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Trust and Group Statements of Financial Position, the Consolidated Statement of Changes in Taxpayers' Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2020/21 as contained in the Department of Health and Social Care Group Accounting Manual 2020/21, and the Accounts Direction issued under the National Health Service Act 2006.

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 and 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 conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, 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 at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit, Risk and Governance Committee which we consider should have been disclosed.
We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2020/21 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust and Group, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and considering whether there were any significant transactions outside the normal course of business.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included, but were not limited to:

- discussing with management and the Audit, Risk and Governance Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust and Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included, but were not limited to:

- making enquiries of management and the Audit, Risk and Governance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit, Risk and Governance Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in April 2021. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2021.We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for

securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2020/21; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of Northern Lincolnshire and Goole NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources.

Mark Surridge, Key Audit Partner
For and on behalf of Mazars LLP
2 Chamberlain Square, Birmingham, B3 3AX
11 June 2021

Audit Completion Certificate issued to the Council of Governors of Northern Lincolnshire and Goole NHS Foundation Trust for the year ended 31 March 2021

In our auditor's report dated 11 June 2021 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources.

This work has now been completed.

No matters have come to our attention since 11 June 2021 that would have a material impact on the financial statements on which we gave our unqualified opinion.

The Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have identified the following significant weaknesses in the Trust's arrangements for the year ended 31 March 2021:

Significant weakness in arrangements	Recommendation
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.
Significant weakness in arrangements	**Recommendation**
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	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

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.	and scrutiny and escalation arrangements are in place to drive the required improvements for patients and sustain the improvements that are made.

Certificate

We certify that we have completed the audit of Northern Lincolnshire & Goole NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Mark Surridge, Key Audit Partner
For and on behalf of Mazars LLP
2 Chamberlain Square, Birmingham, B3 3AX
27 August 2021

The Annual Accounts for the year ended 31 March 2021

Foreword to the Accounts

Northern Lincolnshire and Goole NHS Foundation Trust

These accounts, for the year ended 31 March 2021, have been prepared by Northern Lincolnshire and Goole NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Signature:

Chief Executive and Accountable Officer: Dr Peter Reading
Date: 11 June 2021

Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

		Group	
		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	396,881	349,319
Other operating income	4	80,817	63,573
Operating expenses	5, 7	(481,425)	(427,749)
Operating deficit from continuing operations		**(3,727)**	**(14,857)**
Finance income	10	55	230
Finance expenses	11	(210)	(7,509)
PDC dividends payable		(3,164)	-
Net finance costs		**(3,319)**	**(7,279)**
Other gains / (losses)	11.2	329	(36)
Deficit for the year from continuing operations		**(6,717)**	**(22,172)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	14	-	-
Surplus / (deficit) for the year		**(6,717)**	**(22,172)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	(5,790)	(701)
Revaluations	12	548	2,357
Other reserve movements		-	(10)
Total comprehensive expense for the period		**(11,959)**	**(20,526)**
Surplus/ (deficit) for the period attributable to:			
Non-controlling interest, and		-	-
Northern Lincolnshire and Goole NHS Foundation Trust		(6,717)	(22,172)
TOTAL		**(6,717)**	**(22,172)**
Total comprehensive income/ (expense) for the period attributable to:			
Non-controlling interest, and		-	-
Northern Lincolnshire and Goole NHS Foundation Trust		(11,959)	(20,526)
TOTAL		**(11,959)**	**(20,526)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(6,717)	(22,172)
Remove impact of consolidating NHS charitable fund		(189)	231
Remove net impairments not scoring to the Departmental expenditure limit		10,211	(2,990)
Remove I&E impact of capital grants and donations		(2,769)	(111)
Remove 2018/19 post audit PSF reallocation (2019/20 only)		-	(234)
Remove net impact of inventories received from DHSC group bodies for COVID-19 response		(372)	
Adjusted financial performance surplus / (deficit)		**164**	**(25,276)**

Statements of Financial Position as at 31 March 2021

		Group		Trust	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	15	989	1,087	989	1,087
Property, plant and equipment	16	190,972	177,887	190,972	177,887
Other investments / financial assets	20	1,633	1,614	-	-
Receivables	24	888	756	888	756
Total non-current assets		**194,482**	**181,344**	**192,849**	**179,730**
Current assets					
Inventories	23	3,044	3,271	3,044	3,271
Receivables	24	13,429	26,037	13,404	25,887
Cash and cash equivalents	28	54,735	20,588	54,376	20,541
Total current assets		**71,208**	**49,896**	**70,824**	**49,699**
Current liabilities					
Trade and other payables	29	(69,935)	(48,774)	(69,858)	(48,719)
Borrowings	32	(1,433)	(213,726)	(1,433)	(213,726)
Provisions	34	(690)	(669)	(690)	(669)
Other liabilities	31	(922)	(993)	(922)	(986)
Total current liabilities		**(72,980)**	**(264,162)**	**(72,903)**	**(264,100)**
Total assets less current liabilities		**192,710**	**(32,922)**	**190,770**	**(34,671)**
Non-current liabilities					
Borrowings	32	(9,563)	(10,896)	(9,563)	(10,896)
Provisions	34	(5,427)	(5,246)	(5,427)	(5,246)
Total non-current liabilities		**(14,990)**	**(16,142)**	**(14,990)**	**(16,142)**
Total assets employed		**177,720**	**(49,064)**	**175,780**	**(50,813)**
Financed by					
Public dividend capital		369,433	130,690	369,433	130,690
Revaluation reserve		14,209	19,451	14,209	19,451
Income and expenditure reserve		(207,839)	(200,933)	(207,862)	(200,954)
Charitable fund reserves	21	1,917	1,728	-	-
Total taxpayers' equity		**177,720**	**(49,064)**	**175,780**	**(50,813)**

The notes in the rest of this chapter form part of these accounts.

Name: Dr Peter Reading
Position: Chief Executive
Date: 11 June 2021

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Webv Solutions Ltd income & expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**130,690**	**19,451**	**-**	**(200,955)**	**22**	**1,728**	**(49,064)**
Surplus/(deficit) for the year	-	-	-	(7,707)	1	989	**(6,717)**
Impairments	-	(5,790)	-	-	-	-	**(5,790)**
Revaluations	-	548	-	-	-	-	**548**
Public dividend capital received	238,743	-	-	-	-	-	**238,743**
Other reserve movements	-	-	-	800	-	(800)	**-**
Taxpayers' and others' equity at 31 March 2021	**369,433**	**14,209**	**-**	**(207,862)**	**23**	**1,917**	**177,720**

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Webv Solutions Ltd income & expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**129,295**	**17,795**	**10**	**(179,129)**	**137**	**1,959**	**(29,933)**
Surplus/(deficit) for the year	-	-	-	(22,361)	(115)	304	**(22,172)**
Impairments	-	(701)	-	-	-	-	**(701)**
Revaluations	-	2,357	-	-	-	-	**2,357**
Public dividend capital received	1,395	-	-	-	-	-	**1,395**
Other reserve movements	-	-	(10)	535	-	(535)	**(10)**
Taxpayers' and others' equity at 31 March 2020	**130,690**	**19,451**	**-**	**(200,955)**	**22**	**1,728**	**(49,064)**

Information on Reserves

Public dividend capital

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

Revaluation reserve

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

Other reserves

This represents the share capital of the NHS Foundation Trust's subsidiary company, WebV Solutions Limited.

Income and expenditure reserve

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

NHS Charitable funds reserve

This balance represents the ring-fenced funds held by the NHS Charitable Funds consolidation within these financial statements. These reserves are classified as restricted or unrestricted.

Consolidated Statement of Cash Flows for the year ended 31 March 2021

		Group		
		2020/21		2019/20
	Note	£000		£000
Cash flows from operating activities				
Operating deficit		(3,727)		(14,857)
Non-cash income and expense:				
Depreciation and amortisation	5	9,388		9,163
Net impairments/(reversals)	6	11,162		(2,990)
Income recognised in respect of capital donations	7, 17	(3,185)		(373)
(Increase) / decrease in receivables and other assets		13,192		(3,454)
(Increase) / decrease in inventories		227		(290)
Increase / (decrease) in payables and other liabilities		5,968		(929)
Increase in provisions		251		473
Movements in charitable fund working capital		150		(76)
Other movements in operating cash flows		-		(10)
Net cash flows from / (used in) operating activities		**33,426**		**(13,343)**
Cash flows from investing activities				
Interest received		1		170
Purchase of intangible assets		(219)		(630)
Purchase of PPE and investment property		(21,012)		(9,698)
Sales of PPE and investment property		20		17
Receipt of cash donations to purchase assets		720		373
Net cash flows from charitable fund investing activities		354		160
Net cash flows used in investing activities		**(20,136)**		**(9,608)**
Cash flows from financing activities				
Public dividend capital received		238,743		1,395
Movement on loans from DHSC		(211,926)		34,428
Capital element of finance lease rental payments		(19)		(15)
Interest on loans		(1,948)		(7,223)
Other interest		-		(2)
Interest paid on finance lease liabilities		(5)		(7)
PDC dividend paid		(3,988)		-
Net cash flows from financing activities		**20,857**		**28,576**
Increase in cash and cash equivalents		**34,147**		**5,625**
Cash and cash equivalents at 1 April - brought forward		**20,588**		**14,963**
Cash and cash equivalents at 31 March	28	**54,735**		**20,588**

Notes to the Accounts

Note 1 - Accounting policies and other information

1.1 Basis of Preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the NHS Foundation Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

1.1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities have been reviewed to represent fair value as at 31st March 2021.

1.1.2 Going Concern

The accounting rules (IAS 1) require management to assess, as part of the account's preparation process, the NHS Foundation Trust's ability to continue as a going concern. These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

We are also required to disclose material uncertainties in respect of events or conditions that cast significant doubt upon the going concern ability of the NHS Foundation Trust to continue as a going concern and these are disclosed below.

The Trust has delivered a deficit of £6.7m in 2020/21. The Trust adjusted financial performance after the removal of allowable impairments, capital donations and the net impact of DHSC central procure inventories was a surplus of £0.16m. The Trust had year-end cash balances of £54.4m.

Following the reforms to the cash regime in 2020/21 all interim loans were extinguished and replaced by Public Dividend Capital (PDC). All outstanding loans at 31 March 2021 relate to specific capital projects, £10.87m.

If the Trust requires revenue support in the future this will be in the form of PDC and not loans. In March 2017 NHSI formally placed the Trust in Financial Special Measures. Financial Special Measures presents no risk of the Trust having to cease trading within the next twelve months, or face regulator action to cease or modify its trading status in that period.

The accounts do not include any adjustments that would result if the NHS Foundation Trust was unable to continue as a going concern.

1.2 Consolidation

Entities over which the Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not coterminous. Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

The following subsidiaries have been consolidated:
- Northern Lincolnshire and Goole NHS Foundation Trust Charitable Funds
- WebV Solutions Limited

1.2.1 Subsidiaries - Charitable Funds

The NHS Foundation Trust is the corporate trustee to Northern Lincolnshire and Goole NHS Foundation Trust Charitable Funds. The NHS Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because it is exposed to variable returns from its involvement with the charitable fund to obtain benefits for itself, its patients or its staff.
The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:
- Recognise and measure them in accordance with the NHS Foundation Trust's accounting policies; and
- Eliminate intra-group transactions, balanced, gains and losses.

Northern Lincolnshire and Goole NHS Foundation Trust Charitable Funds Accounting Policies:

a) Funds Structure

Perpetuity funds are funds which are to be used in accordance with specific restriction imposed by the donor. Where the restriction requires the gift to be invested to produce income but the capital cannot be spent, it is classed as a perpetuity fund.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Where the restriction requires the gift to be invested to produce income but the trustees have the power to spend the capital, it is classed as expendable endowment.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non-binding wishes or where the trustees, at their discretion, have created a fund for a specific purpose. The charity does not have any perpetuity funds or expendable endowments

b) Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources. Provided it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

c) Incoming Resources from Legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

A receipt is normally probable when;

- there has been grant of probate;
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy are either within the control of the charity or have been met.

Legacies to which the charity is entitled and for which notification has been received but uncertainty over measurement remains, are disclosed, if material, as contingent income.

d) Gifts in Kind

Assets given for distribution by the funds are included in the Statement of Financial Activities only when distributed.

In all cases the amount at which the gifts in kind are brought into account is either a reasonable estimate of their value to the funds or the amount actually realised.

e) VAT and Tax

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

The charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

f) Allocation of Overhead and Support Costs

Overhead and support costs have been apportioned on an appropriate basis between all funds. The apportionment is in proportion to the quarterly aggregate balance on each of the funds and is distributed on a quarterly basis.

g) Fixed Asset Investments
Investments are stated at market value as at the balance sheet date. The Statement of Comprehensive Income includes the net gains and losses arising on revaluation and disposals throughout the year.
The Common Investment Fund Units and Brewin Dolphin Ltd portfolio are included in the balance sheet at the closing dealing price at 31 March 2021.

h) Realised Gains and Losses
All gains and losses are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

1.2.2 Subsidiaries - WebV Solutions Limited
The NHS Foundation Trust owns 100% of the share capital in WebV Solutions Limited. The company ceased trading on 31March 2020. On consolidation, necessary adjustments are made to the companies' assets, liabilities and transactions to:
'- Recognise and measure them in accordance with the NHS Foundation Trust's accounting policies; and
- Eliminate intra-group transactions, balances, gains and losses.

1.3 Critical Accounting Judgements and Key Sources of Estimation and Accuracy
In the application of the Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The below are the judgements made in the process of applying the accounting policies and assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities.

Going Concern
The accounting rules (IAS 1) require management to assess, as part of the accounts preparation process, the NHS Foundation Trust's ability to continue as a going concern. Please refer to Accounting policy 1.1.

Property Valuations and Asset Lives
Valuations are undertaken by an independent external valuer in line with RICS guidance. These values will therefore be subject to changes in market conditions and marker values. The asset lives are also estimated by the independent external valuer. The valuation exercise was carried out in February 2021 with a valuation date of 31 March 2021, using the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (Red Book). Of the £151.4m net book value of land and buildings subject to valuation, £132.7m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The total net book value of all property, plant and equipment included within these accounts is £190.97m

Accruals
Accruals included within the accounts are based on the best available information. This is applied in conjunction with historical experience and based on individual circumstances. The total value of accruals included in these accounts is £12.2m.

Annual Leave Accruals
The NHS Foundation Trust has extracted the outstanding annual leave at the end of March 2021 from data held within its Electronic staff records system. The value of the outstanding amount has been calculated based on this data and the average salary of the individual. The NHS Foundation Trust is carrying £5.7m.

Provisions
The estimates of outcome and financial effect of provisions are determined by the judgement of the management of the Trust, supplemented by experience of similar transactions and, in some cases, reports of independent experts. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstance. Where the provision being measured involves more than one outcome, the obligation is estimated by weighing all possible outcomes by their associated probabilities; the expected value of the outcome. Where there is a range of possible outcomes, and each point in the range is likely as the other, the mid-point of the range is used. Where a single outcome is being measured, the individual most likely outcome may be the best estimate of the liability. However, even in such a case, the Trust considers other possible outcomes. The NHS Foundation Trust is carrying a restructuring provision of £0.12m to support payments in line with the NHS Foundation Trust pay protection policy. The total value of provisions included within these accounts is £6.1m

1.4 Operating Segments
Income and expenditure are analysed in the Operating Segments note and are reported in line with management information used with the Northern Lincolnshire and Goole NHS Foundation Trust.

1.5 Revenue from Contracts with Customers

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

- As per paragraph 121 of the Standard the Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less.
- The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date
- The FReM has mandated the exercise of the practical expedient offered in C7 (a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract. The value of the benefit received when the Trust accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

Revenue from NHS Contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Integrated Care System/Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed. The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration."

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF)

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Grants and Donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship Service Income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

1.6 Expenditure

1.6.1 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

1.6.2 Pension Costs

NHS Pension Schemes

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment. "

1.6.3 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.7 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes;
• it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Foundation Trust;
• it is expected to be used for more than one financial year;
• the cost of the item can be measured reliably;
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control."

Items form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Borrowing costs associated with the construction of new assets are not capitalised.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at valuation. "

Land and buildings used for the NHS Foundation Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the current value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are performed by professional valuers every five years and in the intervening years by the use of appropriate indices or by interim valuation as necessary to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

· Freehold Properties – Existing Use Value (EUV);
· Specialised buildings – Depreciated Replacement Cost (DRC) – Modern Equivalent Asset (MEA);
· Others – DRC – EUV;
· Land – Modern Equivalent Asset (MEA).

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when the assets are brought into use.
IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

For any new acquisition of property, plant and equipment, the following table details the useful economic lives for the main classes of assets and where applicable, subcategories within each:

Main Assets	Sub Category	Life in Years
Buildings	Structural Engineering	Up to 70 years
Fixtures	Plant, machinery and equipment	5 to 15 years
	Furniture and fittings	5 to 10 years
	IT equipment	Up to 5 years
Vehicles/transport equipment		Up to 7 years
Intangible		Up to 10 years

Valuations are carried out in accordance with the current Valuation Standards and UK Valuation Standards contained within the Royal Institute of Chartered Surveyors (RICS) Valuation Standards – The Red Book, which are consistent with the agreed requirements of the DHSC and HM Treasury.

Property assets have been valued primarily by using the Depreciated Replacement Cost (DRC) approach. In accordance with VS6.6, the DRC will be subject to the prospect and viability of the continued occupation and use by the Foundation Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

The ultimate objective of the valuation is to place a value upon the asset. In this the value of the land in providing a modern equivalent facility was also considered. The modern equivalent may be located on a new site out of town, or be on a smaller site due to changes in the way services are provided. The site is valued based on the size of the modern equivalent, and not the actual site area occupied at present, which has given rise to reduction in the land values.

The results of these valuations have been incorporated into these financial statements.

Equipment assets are valued using appropriate indices (for 2020/21 no change) and predominantly the Depreciated Replacement Cost is assumed to be the fair value. Annually, an equipment review is also conducted by the department/directorate/equipment specialist and the life of the equipment assets is reviewed in conjunction with the experts in the field (medical electronics/suppliers/market intelligence). Assets in the course of construction are valued at current cost and they are revalued by professional valuers when they are brought into use or as part of the five or intervening years valuation whichever occurs first. These assets include any existing land or buildings under the control of a contractor.

Subsequent Expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation
Freehold land, properties under construction, and assets held for sale are not depreciated. Depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Foundation Trust expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Foundation Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

Revaluation and Impairments
At each reporting period end, the NHS Foundation Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually. In accordance with the DHSC GAM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses.

A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.
Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item under "Other Comprehensive Income".

De-recognition
Assets intended for disposal, are reclassified as 'Held for Sale' once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms;
- Which are usual and customary for such sales;
- The sale must be highly probable i.e.:
  - Management are committed to a plan to sell the asset;
  - An active programme has begun to find a buyer and complete the sale;
  - The asset is being actively marketed at a reasonable price;
  - The sale is expected to be completed within 12 months of the date of classification as "held for Sale"; and
  - The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significantly changed.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.8 Donated Assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor imposes a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.
The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.
Within these financial statements, the NHS Foundation Trust does not have any donations with conditions attached at this present moment in time.
In 2020/21 this includes assets donated to the Trust by the Department of Health and Social Care as part of the response to the Coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

1.9 Intangible Assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of sale separately from the rest of the NHS Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Foundation Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Internally Generated Intangible Assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.
Expenditure on research is not capitalised.
Expenditure on development is capitalised only where all of the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- The NHS Foundation Trust intends to complete the asset and sell or use it;
- The ability to sell or use the intangible asset;
- How the intangible asset will generate probable future economic benefits or service potential;
- The availability of adequate financial, technical and other resources to complete the intangible asset and sell or use it, and
- The ability to measure reliably the expenses attributable to the intangible asset during its development.

Software
Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Economic Lives of Intangible Assets

Intangible Assets – Internally Generated	**Min. Life – Years**	**Max. Life – Years**
Information Technology	5	5
Intangible Assets – Purchased		
Software	5	10
Licences & Trademarks	5	10

1.10 Government Grants
Government grants are grants from Government bodies other than income from Clinical Commissioning Groups (CCG's) or NHS Trusts for the provision of services. Where a Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.11 Inventories
Inventories are valued at the lower of cost and net realisable value, using the first-in first-out cost formula. In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.12 Private Finance Initiative (PFI) Transactions
At the 31 March 2021, the NHS Foundation Trust did not have any PFI transactions.

1.13 Leases

The Trust as Lessee

Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment. The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating Leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease."

Leases of Land and Buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The NHS Foundation Trust as a Lessor

The NHS Foundation Trust has made spaces available within the three sites to the local CCGs, Disability Trust, etc. renewable on an annual basis. These are operating leases and the rental from these leases is recognised on a straight-line basis within these financial statements."

1.14 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 Clinical Negligence Costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. The annual contribution is charged to operating expenses. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed at note 35.1 but is not recognised in the NHS Foundation Trust's accounts. "

1.16 Non-Clinical Risk Pooling

The NHS Foundation Trust participates in the Property Expenses Scheme (PES) and the Liabilities to Third Parties Scheme (LTPS). Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

1.17 Provisions

Provisions are recognised when the NHS Foundation Trust has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Foundation Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the HM Treasury's discount rate of minus 0.95% (2019/20 minus 0.50%) in real terms for early retirement and injury benefit provisions only.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably. Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the NHS Foundation Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the NHS Foundation Trust, has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity. The NHS Foundation Trust is carrying a provision of £122k to support payments in line with the NHS Foundation Trust pay protection policy.

1.18 Climate Change Levy

The Climate Change Levy (CCL) is the successor scheme to the Carbon Reduction Commitment (CRC). Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

1.19 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 36 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 36, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.20 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32. The Secretary of State can issue new PDC to, and require repayments of PDC from, the NHS Foundation Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts. In accordance with the requirements laid down by the DHSC (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.21 Value Added Tax (VAT)

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.22 Corporation Tax

The NHS Foundation Trust has carried out a review of corporation tax liability of its non-healthcare activities. At present, all activities are either ancillary to the Trust's patient care activity or are below the de minimus level at which corporation tax is due.

Therefore, the Trust has determined that it has no liability for corporation tax. Further guidance is awaited from NHS Improvement, the HM Treasury and the Inland Revenue. The Trust will not incur any corporation tax through its wholly owned subsidiary WebV Solutions Limited.

1.23 Foreign Exchange

The functional and presentational currencies of the NHS Foundation Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. The NHS Foundation Trust does not have any assets or liabilities denominated in a foreign currency at the Statement of Financial Position date.

1.24 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note (note 28.2) to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.25 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled. Losses and special payments are charged to the relevant functional headings in the Statement of Comprehensive Income on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, note 42 is compiled directly from the losses and compensations register which is prepared on an accrual basis with the exception of provisions for any future losses.

1.26 Financial Instruments – Financial Assets and Financial Liabilities Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS. This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure.

Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques. Financial assets are classified as subsequently measured at amortised cost or, fair value through income and expenditure. Financial liabilities classified as subsequently measured at amortised cost.

Financial Assets at Amortised Cost
Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable. After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial Assets at Fair Value through Other Comprehensive Income
A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Financial Assets at Fair Value through Income and Expenditure
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of Financial Assets
For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses. The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Expected credit losses are determined by reference to past experience within separate categories of debt, classified by level of risk. Judgement is also applied, where the expectation of future credit losses is anticipated to impact upon the recoverable amount of the asset. The age of a receivable is taken into account and the more overdue a receivable becomes, the higher the value of expected credit loss. A different risk classification has been applied to a specific group of private patient billing that is at higher risk of not being collected than usual.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

The NHS Foundation Trust reviews its income receivable from the injury recovery unit on an annual basis taking into account local trends of recovery and appropriate top up provision has been made for irrecoverable debtors (25%), this is over and above the proposed bad debts provision of 22.43% (2019/20 21.79%) recommended by the Department of Health and Social Care.

In line with policy, the NHS Foundation Trust has undertaken a review of all outstanding debts and suitable provisions are recognised within these statements for bad and doubtful debts.

Derecognition
Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.27 Transfers of Functions to / from Other NHS Bodies / Local Government Bodies

For functions that have been transferred to the NHS Foundation Trust from another NHS body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised within income / expenses, but not within operating activities. For property plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

1.28 Early Adoption of Standards, Amendments and Interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

1.29 Standards, Amendments and Interpretations in Issue but not yet Effective or Adopted

IFRS 16 Leases
IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the Statement of Financial Position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease. On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury.

Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainity on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does not expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other Standards, Amendments and Interpretations
IFRS 17 - Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 2 Operating Segments

The NHS Foundation Trust's major activity is healthcare and therefore is treated as a single segment. The operating results of the NHS Foundation Trust are reviewed monthly by the NHS Foundation Trust's chief operating decision maker which is the overall NHS Foundation Trust Board and which includes non-executive directors. For 2020/21, the Board of Directors reviewed the financial position of the NHS Foundation Trust as a whole in their decision-making process. The single segment of 'Healthcare' has therefore been identified consistent with the core principle of IFRS 8 which is to enable users of financial statements to evaluate the nature and financial effects of business activities and economic environments.

	Healthcare		Total	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Income	**477,698**	412,892	**477,698**	412,892
(Surplus)/Deficit before impairments and Restructuring	**(3,589)**	25,021	**(3,589)**	25,021
Restructuring costs	**95**	141	**95**	141
Impairment reversals relating to market value changes included in expenses	**(248)**	(3,238)	**(248)**	(3,238)
Impairments relating to market value changes charged to expenses	**10,459**	248	**10,459**	248
Retained Deficit	**6,717**	22,172	6,717	22,172
Segment net assets	**177,720**	(49,064)	**177,720**	(49,064)

2.1 Income Generation Activities

The NHS Foundation Trust undertakes certain activities with an aim of break even or achieving a small profit, which is then used to support patient care. Some of these activities are essential for providing the right level of service to patients and visitors and the profit element, if any, is incidental to the service provision. The following table provides details of activities for which gross income exceeded £1m.

i) Car Parking Services

	2020/21	2019/20
	£000	£000
Income	**320**	2,365
Direct costs	**(1,104)**	(910)
Surplus before indirect costs	**(784)**	1,455
Indirect Costs	**(929)**	(849)
(Deficit)/Surplus	**(1,713)**	606

Car parking services is a managed service operated by ISS Mediclean. The income is received by the NHS Foundation Trust and is accounted for gross within the financial statements. Due to the Covid-19 pandemic and following government guidelines, the NHS Foundation Trust withdrew car parking charges for staff and patients.

ii) ii) Staff Accommodation

Staff accommodation amounted to £1.9m (£1.8m 2019/20) during the year. However, the costs associated with the income generation form part of the costs of the total provision of accommodation and property rental.

Note 3 Operating Income from Patient Care Activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.1.1

Note 3.1 Income from Patient Care Activities (by nature)

	2020/21	2019/20
	£000	£000
Block contract / system envelope income*	365,571	304,264
High cost drugs income from commissioners (excluding pass-through costs)	12,006	25,465
Other NHS clinical income	1,210	5,424
Private patient income	423	948
Additional pension contribution central funding**	11,044	10,579
Other clinical income	6,627	2,639
Total income from activities	**396,881**	**349,319**

*As part of the Coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.
**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from Patient Care Activities (by source)

	2020/21	2019/20
Income from patient care activities received from:	**£000**	**£000**
NHS England	43,427	38,322
Clinical commissioning groups	351,688	308,412
Department of Health and Social Care	153	304
Other NHS providers	542	441
Local authorities	-	6
Non-NHS: private patients	350	736
Non-NHS: overseas patients (chargeable to patient)	73	212
Injury cost recovery scheme*	648	886
Total income from activities	**396,881**	**349,319**
Of which:		
Related to continuing operations	396,881	349,319
Related to discontinued operations	-	-

* Injury cost recovery income is subject to a provision for impairment of receivables of 25%, which is 2.75% (3.12% 2019/20) more than the recommended DHSC rate, to reflect expected rates of collection based on historical trend.

Note 3.3 Overseas Visitors (relating to patients charged directly by the provider)

	2020/21	2019/20
	£000	**£000**
Income recognised this year	73	212
Cash payments received in-year	81	93
Amounts written off in-year	6	54

Note 4 Other Operating Income (Group)

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	660	-	**660**	673	-	**673**
Education and training	13,657	792	**14,449**	11,678	1,039	**12,717**
Non-patient care services to other bodies	17,081	-	**17,081**	17,888	-	**17,888**
Provider sustainability fund (2019/20 only)	-	-	**-**	7,527	-	**7,527**
Financial recovery fund (2019/20 only)	-	-	**-**	14,807	-	**14,807**
Marginal rate emergency tariff funding (2019/20 only)	-	-	**-**	3,708	-	**3,708**
Reimbursement and top up funding	34,397	-	**34,397**	-	-	**-**
Receipt of capital grants and donations	-	3,185	**3,185**	-	373	**373**
Charitable and other contributions to expenditure	-	6,958	**6,958**	-	-	**-**
Charitable fund incoming resources	-	1,004	**1,004**	-	669	**669**
Other income*	3,083	-	**3,083**	5,211	-	**5,211**
Total other operating income	**68,878**	**11,939**	**80,817**	**61,492**	**2,081**	**63,573**
Of which:						
Related to continuing operations			80,817			63,573
Related to discontinued operations			-			-

*Other income includes £0.32m (£2.37m 2019/20) for car parking and £1.9m (£1.8m 2019/20) for staff accommodation.

Note 4.1 Additional Information on Contract Revenue (IFRS 15) Recognised in the period

	2020/21	2019/20
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	993	384

Note 4.2 Income from Activities arising from Commissioner Requested Services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2020/21	2019/20
	£000	£000
Income from services designated as commissioner requested services	376,945	328,836
Income from services not designated as commissioner requested services	19,936	20,483
Total	**396,881**	**349,319**

Note 4.3 Profits and Losses on Disposal of Property, Plant and Equipment

	2020/21	2019/20
	£000	£000
Gains on disposal of other property plant and equipment	20	15
Losses on disposal of other property plant and equipment	(10)	(8)
Total gain/(loss) on disposal of assets	**10**	**7**

Note 5 Operating Expenses

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,618	4,361
Purchase of healthcare from non-NHS and non-DHSC bodies	7,516	8,553
Staff and executive directors' costs	324,293	293,335
Remuneration of non-executive directors	146	122
Supplies and services - clinical (excluding drugs costs)	36,294	32,976
Supplies and services - general	4,874	4,578
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	31,528	32,526
Inventories written down	75	-
Consultancy costs	1,387	1,935
Establishment	3,318	3,363
Premises	18,487	14,655
Transport (including patient travel)	2,321	2,688
Depreciation on property, plant and equipment	9,071	8,835
Amortisation on intangible assets	317	328
Net impairments	11,162	(2,990)
Movement in credit loss allowance: contract receivables / contract assets	731	75
Change in provisions discount rate(s)	-	266
Audit fees payable to the external auditor		
audit services- statutory audit	93	79
other auditor remuneration (external auditor only)	-	30
Internal audit costs	74	71
Clinical negligence	15,003	13,335
Legal fees	426	708
Insurance	409	343
Research and development	630	629
Education and training	1,875	2,591
Rentals under operating leases	2,304	2,142
Early retirements	120	106
Redundancy	255	141
Car parking & security	1,092	898
Hospitality	1,578	55
Losses, ex gratia & special payments	14	12
Other NHS charitable fund resources expended	388	382
Other	1,026	621
Total	**481,425**	**427,749**
Of which:		
Related to continuing operations	481,425	427,749
Related to discontinued operations	-	-

Note 5.1 Other Auditor Remuneration

	2020/21	2019/20
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	30
Total	**-**	**30**

Note 5.2 Limitation on Auditor's Liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2020/21 or 2019/20.

Note 6 Impairment of Assets

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	951	-
Changes in market price	10,211	(3,238)
Other	-	248
Total net impairments charged to operating surplus / deficit	**11,162**	**(2,990)**
Impairments charged to the revaluation reserve	5,790	701
Total net impairments	**16,952**	**(2,289)**

The NHS Foundation Trust incurred impairment charges of £0.95m. These charges relate to the demolition of buildings due to the enabling works for the new emergency departments at Grimsby and Scunthorpe.
Other impairments of £9.7m related to buildings and £0.7m Dwellings, a further breakdown by site can be seen in note 19.

Note 7 Employee Benefits

	2020/21	2019/20
	Total	Total
	£000	£000
Salaries and wages	243,805	219,222
Social security costs	23,272	21,335
Apprenticeship levy	1,189	1,107
Employer's contributions to NHS pensions	36,358	34,738
Temporary staff (including agency)	21,162	18,238
Total gross staff costs	**325,786**	**294,640**
Of which		
Costs capitalised as part of assets	232	-

Note 7.1 Retirements Due to Ill-health

During 2020/21 there were 7 early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £263k (£525k in 2019/20). These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 7.2 Directors' Remuneration

The aggregate amounts payable to Directors were:

	Group	
	2020/21	2019/20
	Total	Total
	£000	£000
Salary	1,728	1,729
Employer's National Insurance	200	220
Employer's pension contributions	143	135
Total	**2,071**	**2,084**

Note 7.3 Management Costs

	Group	
	2020/21	2019/20
	Total	Total
	£000	£000
Management Costs	21,344	19,721
Income	477,495	412,928
Management Costs as a % of income	4.47%	4.78%

The above is excluding Charitable income and costs.

Note 8 Pension Costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting Valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full Actuarial (funding) Valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6% pf pensionable pay.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case. The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Note 9 Operating Leases

Note 9.1 Northern Lincolnshire and Goole NHS Foundation Trust as a Lessor

The NHS Foundation Trust has made spaces available within the three sites to the local CCGs renewable on an annual basis. These are operating leases and the rental from these leases is recognised on a straight-line basis within these financial statements.

Note 9.2 Northern Lincolnshire and Goole NHS Foundation Trust as a Lessee

This note discloses costs and commitments incurred in operating lease arrangements where Northern Lincolnshire and Goole NHS Foundation Trust is the lessee.

	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments	2,304	2,142
Total	**2,304**	**2,142**

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	3,349	3,039
- later than one year and not later than five years;	8,268	8,040
- later than five years.	6,469	7,019
Total	**18,086**	**18,098**
Future minimum sublease payments to be received	-	-

Note 10 Finance Income

Finance income represents interest received on assets and investments in the period.

	2020/21	2019/20
	£000	£000
Interest on bank accounts	1	170
NHS charitable fund investment income	54	60
Total finance income	**55**	**230**

Note 11 Finance Expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	254	7,525
Finance leases	5	7
Interest on late payment of commercial debt	-	2
Total interest expense	**259**	**7,534**
Unwinding of discount on provisions	(49)	(25)
Total finance costs	**210**	**7,509**

Note 11.1 The Late Payment of Commercial Debts (interest) Act 1998 / Public Contract Regulations 2015

	2020/21	2019/20
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	2

Note 11.2 Other Gains / (Losses) on Disposal of Non-Current Assets

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	20	15
Losses on disposal of assets	(10)	(8)
Total gains / (losses) on disposal of assets	**10**	**7**
Fair value gains / (losses) on charitable fund investments & investment properties	319	(43)
Total other gains / (losses)	**329**	**(36)**

Note 12 Revaluation of Assets (Property, Plant and Equipment) Cushman & Wakefield Valuations Summary

	Group	
	2020/21	2019/20
	Total	Total
Impairments	**£000**	**£000**
Impairments charged to Revaluation Reserve	(5,790)	(701)
Impairments charged to Statement of Comprehensive Income	(11,410)	(248)
Total Impairments due to Market Changes	**(17,200)**	**(949)**

	Group	
	2020/21	2019/20
	Total	Total
Revaluation gains	**£000**	**£000**
Revaluation gains credited to Revaluation Reserve	548	2,357
Revaluation gains relating to previous impairments credited to Statement of Comprehensive income	248	3,238
Total Revaluation gains due to Market Changes	**796**	**5,595**

Note 13 Corporation Tax Expense

	2020/21	2019/20
	£000	£000
UK corporation tax expense	-	-
Adjustments in respect of prior years	-	-
Current tax expense	**-**	**-**
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior years	-	-
Change in tax rate	-	-
Deferred tax expense	**-**	**-**
Total income tax expense in Statement of Comprehensive Income	**-**	**-**
Reconciliation of effective tax charge		
Effective tax charge percentage	19%	19%
Effect of:	-	-
Surpluses not subject to tax	-	-
Non-deductible expenses	-	-
Adjustments in respect of prior years	-	-
Share of results of joint ventures and associates	-	-
Change in tax rate	-	-
Other	-	-
Total income tax charge for the year	**-**	**-**

Note 14 Discontinued Operations

	2020/21	2019/20
	£000	£000
Operating income of discontinued operations	-	-
Operating expenses of discontinued operations	-	-
Gain on disposal of discontinued operations	-	-
(Loss) on disposal of discontinued operations	-	-
Corporation tax expense attributable to discontinued operations	-	-
Total	**-**	**-**

Note 15 Intangible Assets

Note 15.1 Intangible Assets - 2020/21

Group	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**7,421**	**7,421**
Additions	219	**219**
Valuation / gross cost at 31 March 2021	**7,640**	**7,640**
Amortisation at 1 April 2020 - brought forward	**6,334**	**6,334**
Provided during the year	317	**317**
Amortisation at 31 March 2021	**6,651**	**6,651**
Net book value at 31 March 2021	**989**	**989**
Net book value at 1 April 2020	**1,087**	**1,087**

Note 15.2 Intangible Assets - 2019/20

Group	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**6,850**	**6,850**
Additions	630	**630**
Disposals / derecognition	(59)	**(59)**
Valuation / gross cost at 31 March 2020	**7,421**	**7,421**
Amortisation at 1 April 2019 - as previously stated	**6,065**	**6,065**
Provided during the year	328	**328**
Disposals / derecognition	(59)	**(59)**
Amortisation at 31 March 2020	**6,334**	**6,334**
Net book value at 31 March 2020	**1,087**	**1,087**
Net book value at 1 April 2019	**785**	**785**

Note 16 Property, Plant and Equipment

Note 16.1 Property, Plant and Equipment - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**9,095**	**135,941**	**18,513**	**2,716**	**40,461**	**142**	**13,454**	**981**	**221,303**
Additions	-	7,748	50	18,607	7,917	44	4,164	40	**38,570**
Impairments	(2)	(5,599)	(189)	-	-	-	-	-	**(5,790)**
Revaluations	78	(15,016)	(842)	-	-	-	-	-	**(15,780)**
Reclassifications	-	1,596	-	(1,596)	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(678)	-	-	(26)	**(704)**
Valuation/gross cost at 31 March 2021	**9,171**	**124,670**	**17,532**	**19,727**	**47,700**	**186**	**17,618**	**995**	**237,599**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**-**	**33,176**	**117**	**9,367**	**756**	**43,416**
Provided during the year	-	4,818	348	-	2,377	10	1,445	73	**9,071**
Impairments	39	10,630	741	-	-	-	-	-	**11,410**
Reversals of impairments	-	(244)	(4)	-	-	-	-	-	**(248)**
Revaluations	(39)	(15,204)	(1,085)	-	-	-	-	-	**(16,328)**
Disposals / derecognition	-	-	-	-	(668)	-	-	(26)	**(694)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**34,885**	**127**	**10,812**	**803**	**46,627**
Net book value at 31 March 2021	**9,171**	**124,670**	**17,532**	**19,727**	**12,815**	**59**	**6,806**	**192**	**190,972**
Net book value at 1 April 2020	**9,095**	**135,941**	**18,513**	**2,716**	**7,285**	**25**	**4,087**	**225**	**177,887**

Note 16.2 Property, Plant and Equipment - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**10,321**	**150,633**	**18,646**	**2,245**	**40,419**	**142**	**12,928**	**997**	**236,331**
Additions	-	2,642	-	2,654	2,538	-	1,175	10	**9,019**
Impairments	(701)	-	-	-	-	-	-	-	**(701)**
Revaluations	(525)	(18,995)	(155)	-	-	-	-	-	**(19,675)**
Reclassifications	-	1,661	22	(2,183)	475	6	15	4	**-**
Disposals / derecognition	-	-	-	-	(2,971)	(6)	(664)	(30)	**(3,671)**
Valuation/gross cost at 31 March 2020	**9,095**	**135,941**	**18,513**	**2,716**	**40,461**	**142**	**13,454**	**981**	**221,303**
Accumulated depreciation at 1 April 2019 - as previously stated	**688**	**18,449**	**917**	**-**	**33,790**	**102**	**8,612**	**707**	**63,265**
Provided during the year	-	4,645	323	-	2,354	15	1,419	79	**8,835**
Impairments	1	247	-	-	-	-	-	-	**248**
Reversals of impairments	(1)	(2,658)	(579)	-	-	-	-	-	**(3,238)**
Revaluations	(688)	(20,683)	(661)	-	-	-	-	-	**(22,032)**
Reclassifications	-	-	-	-	(2)	2	-	-	**-**
Disposals / derecognition	-	-	-	-	(2,966)	(2)	(664)	(30)	**(3,662)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**33,176**	**117**	**9,367**	**756**	**43,416**
Net book value at 31 March 2020	**9,095**	**135,941**	**18,513**	**2,716**	**7,285**	**25**	**4,087**	**225**	**177,887**
Net book value at 1 April 2019	**9,633**	**132,184**	**17,729**	**2,245**	**6,629**	**40**	**4,316**	**290**	**173,066**

Note 16.3 Property, Plant and Equipment Financing - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021									
Owned - purchased	9,171	122,071	17,532	19,339	9,857	59	6,801	192	**185,022**
Finance leased	-	-	-	-	37	-	-	-	**37**
Owned - donated/granted	-	2,599	-	388	2,921	-	5	-	**5,913**
NBV total at 31 March 2021	**9,171**	**124,670**	**17,532**	**19,727**	**12,815**	**59**	**6,806**	**192**	**190,972**

Note 16.4 Property, plant and equipment Financing - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	9,095	133,017	18,513	2,716	6,801	25	4,084	225	**174,476**
Finance leased	-	-	-	-	45	-	-	-	**45**
Owned - donated/granted	-	2,924	-	-	439	-	3	-	**3,366**
NBV total at 31 March 2020	**9,095**	**135,941**	**18,513**	**2,716**	**7,285**	**25**	**4,087**	**225**	**177,887**

Note 17 Donations of Property, Plant and Equipment

The NHS Foundation Trust received Charitable contributions to support capital purchases as follows;

	2020/21	2019/20
	£000	£000
Buildings ex Dwellings	-	247
Assets under Construction	389	-
Plant and machinery	2,796	126
	3,185	**373**

Included within plant and machinery is £2.3m of equipment donated from DHSC.

Note 18 Revaluations of Property, Plant and Equipment

The NHS Foundation Trust's property have been revalued on a Modern Equivalent Asset basis. At the 31 March 2021, the NHS Foundation Trust's Valuers, Cushman & Wakefield completed a revaluation of the estate which resulted in a net valuation decrease. The results of this valuation have been included in these financial statements.

The property asset lives are as stated in the revaluation by the Trust's Valuers.

Basis of Valuation
The valuations have been carried out primarily on the basis of Market Value Existing Use using the depreciated replacement cost (DRC) methodology on a modern substitute basis. Non-operational property, including surplus land, has been valued to Market Value Alternate Use. Unless otherwise stated, the assumption has been made that the properties valued will continue to be in the occupation of the Foundation Trust for the foreseeable future having regard to the prospect and viability of the continuance of that occupation.

Method of Valuation
Depreciated Replacement Cost (DRC) is the method of valuation adopted for arriving at the value of specialised operational property for financial accounting purposes as recommended by UK GAAP, the Royal Institution of Chartered Surveyors and HM Treasury. DRC is based on an estimate of the market value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. Where the actual use of the property is so special that it proves impossible to categorise it in general market terms, land has been valued assuming the benefit of planning permission for development for a use, or a range of uses, prevailing in the vicinity of the actual site.

In these circumstances, the Market Value for the Existing Use (MVEU) of the land has been arrived at having regard to the cost of purchasing a notional replacement site in the same locality that would be equally suitable for the existing use and of the same size, with normally the same physical and locational characteristics as the actual site, other than characteristics of the actual site that are irrelevant, or of no value, to the existing use. The valuation exercise was carried out in February 2021 with a valuation date of 31 March 2021, using the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (Red Book).

The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. The valuer has exercised professional judgement in providing the valuation and this remains the best information available to the Trust.

Of the £151.4m net book value of land and buildings subject to valuation, £132.7m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets.

Note 19 - Property Valuations Summary by Cushman & Wakefield

The NHS Foundation Trust Valuers (Cushman & Wakefield) completed a valuation of the Property Assets at 31 March 2021 and concluded that there were changes to the Value of Property Assets. The NHS Foundation Trust identified that these changes are material and therefore, the results have been incorporated into these financial statements. The outcome from the valuation was that, on all three sites, some of the assets suffered revaluation gains whilst other assets had an impairment. The approximate net impact of the Foundation Trust's valuations are given below.

Site	Description	Net Change in Valuation (increase) Decrease £000	Charged to Expenses £000	Impairment Reversals Credited to Expenses £000	Changes to Revaluation Reserves £000
Diana, Princess of Wales Hospital, Grimsby	Land and Buildings	9,082	7,975	-	1,107
Scunthorpe General Hospital	Land and Buildings	5,586	3,395	(248)	2,439
Goole District Hospital	Land and Buildings	1,736	40	-	1,696
	Total	**16,404**	**11,410**	**(248)**	**5,242**

All the above changes relate to properties in the Trust's main healthcare segment.

Note 20 Other Investments / Financial Assets (non-current)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**1,614**	**1,757**	**-**	
Movement in fair value through income and expenditure	319	(43)		
Disposals	(300)	(100)		
Carrying value at 31 March	**1,633**	**1,614**	**-**	**-**

Note 21 Charitable Fund Reserves

The Northern Lincolnshire and Goole NHS Foundation Trust Board is the Corporate Trustee of the NHS Charitable Funds and therefore, the charitable funds represents a subsidiary of the Foundation Trust on the basis that it:

· has control over the NHS charitable fund (as determined by IRFS 10) and
· benefits from the NHS charitable fund.

From 2013/14 Northern Lincolnshire and Goole NHS Foundation Trust has consolidated the NHS charitable funds into its accounts. For 2020/21, the NHS Charitable Funds balances are as follows:

	31 March 2021	31 March 2020
	£000	£000
Unrestricted funds:		
Unrestricted income funds	1,917	1,715
Restricted funds:		
Other restricted income funds	-	13
	1,917	**1,728**

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity. Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested or retained for use rather than expended.

Note 22 Disclosure of Interests in Other Entities

The NHS Foundation Trust owns 100% of a subsidiary company called WebV Solutions Limited. The accounting year end for WebV Solutions Limited is 31 March. The registered office is, Diana, Princess of Wales Hospital, Scartho Road, Grimsby. This was established to provide innovative software solutions. The company ceased trading on 31 March 2020.

Note 23 Inventories

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Drugs	851	1,095	851	1,095
Consumables	1,870	1,869	1,870	1,869
Energy	10	12	10	12
Other	313	295	313	295
Total inventories	**3,044**	**3,271**	**3,044**	**3,271**

Inventories recognised in expenses for the year were £35,677k (2019/20: £31,883k). Write-down of inventories recognised as expenses for the year were £75k (2019/20: £0k). In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £6,264k of items purchased by DHSC. These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 24 Receivables

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Contract receivables	9,447	22,504	9,447	22,498
Allowance for impaired contract receivables / assets	(1,228)	(515)	(1,228)	(515)
Prepayments (non-PFI)	3,654	3,088	3,654	3,083
PDC dividend receivable	824	-	824	-
VAT receivable	707	827	707	821
NHS charitable funds receivables	25	133	-	-
Total current receivables	**13,429**	**26,037**	**13,404**	**25,887**
Non-current				
Other receivables*	888	756	888	756
Total non-current receivables	**888**	**756**	**888**	**756**
Of which receivable from NHS and DHSC group bodies:				
Current	6,338	16,253	6,338	16,253
Non-current	888	756	888	756

* Non-current other receivables relates to Clinicians pension tax provision reimbursement funding from NHS England.

Note 24.1 Allowances for Credit Losses - 2020/21

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2020 - brought forward	**515**	**-**	**515**	**-**
New allowances arising	830	-	830	**-**
Reversals of allowances	(99)	-	(99)	**-**
Utilisation of allowances (write offs)	(18)	-	(18)	**-**
Allowances as at 31 Mar 2021	**1,228**	**-**	**1,228**	**-**

Note 24.2 Allowances for Credit Losses - 2019/20

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2019 - as previously stated	**515**	**-**	**515**	**-**
New allowances arising	226	-	226	**-**
Reversals of allowances	(151)	-	(151)	**-**
Utilisation of allowances (write offs)	(75)	-	(75)	**-**
Allowances as at 31 Mar 2020	**515**	**-**	**515**	**-**

Note 25 Other Assets

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Current	£000	£000	£000	£000
Other assets	-	-		
Total other current assets	**-**	**-**	**-**	**-**
Non-current				
Net defined benefit pension scheme asset	-	-		
Other assets	-	-		
Total other non-current assets	**-**	**-**	**-**	**-**

Note 26 Non-Current Assets Held for Sale and Assets in Disposal

At the Statement of Financial Position date the NHS Foundation Trust does not have any assets held for sale.

Note 27 Liabilities in Disposal Groups

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Categorised as:				
Provisions	-	-		
Trade and other payables	-	-		
Other	-	-		
Total	**-**	**-**	**-**	**-**

Note 28 Cash and Cash Equivalents Movements

Note 28.1 Cash and Cash Equivalents Movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
At 1 April	**20,588**	**14,963**	**20,541**	**14,677**
Net change in year	34,147	5,625	33,835	5,864
At 31 March	**54,735**	**20,588**	**54,376**	**20,541**
Broken down into:				
Cash at commercial banks and in hand	656	242	297	195
Cash with the Government Banking Service	54,079	20,346	54,079	20,346
Total cash and cash equivalents as in SoFP	**54,735**	**20,588**	**54,376**	**20,541**
Total cash and cash equivalents as in SoCF	**54,735**	**20,588**	**54,376**	**20,541**

Note 28.2 Third Party Assets held by the Trust

Northern Lincolnshire and Goole NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Monies on deposit	4	3
Total third-party assets	**4**	**3**

Note 29 Trade and Other Payables

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Trade payables	13,898	21,480	13,898	21,476
Capital payables	19,750	4,670	19,750	4,670
Accruals	17,860	11,939	17,860	11,601
Other taxes payable	7,143	6,284	7,143	6,284
Other payables	11,207	4,366	11,207	4,688
NHS charitable funds: trade and other payables	77	35	-	-
Total current trade and other payables	**69,935**	**48,774**	**69,858**	**48,719**
Non-current				
Total non-current trade and other payables	**-**	**-**	**-**	**-**
Of which payables from NHS and DHSC group bodies:				
Current	3,848	5,421	3,848	5,421
Non-current	-	-	-	-

Note 30 Early Retirements in NHS Payables Above

The payables note above includes amounts in relation to early retirements as set out below.

Group and Trust	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-

Note 31 Other Liabilities

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	922	993	922	986
Total other current liabilities	**922**	**993**	**922**	**986**
Non-current				
Total other non-current liabilities	**-**	**-**	**-**	**-**

Note 32 Borrowings

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Loans from DHSC	1,417	213,707	1,417	213,707
Obligations under finance leases	16	19	16	19
Total current borrowings	**1,433**	**213,726**	**1,433**	**213,726**
Non-current				
Loans from DHSC	9,541	10,871	9,541	10,871
Obligations under finance leases	22	25	22	25
Total non-current borrowings	**9,563**	**10,896**	**9,563**	**10,896**

Note 32.1 Reconciliation of Liabilities Arising from Financing Activities

Group - 2020/21	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2020	**224,578**	**44**	**224,622**
Cash movements:			
Financing cash flows - payments and receipts of principal	(211,926)	(19)	**(211,945)**
Financing cash flows - payments of interest	(1,948)	(5)	**(1,953)**
Non-cash movements:			
Additions	-	13	**13**
Application of effective interest rate	254	5	**259**
Carrying value at 31 March 2021	**10,958**	**38**	**10,996**

Group - 2019/20	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2019	**189,848**	**26**	**189,874**
Cash movements:			
Financing cash flows - payments and receipts of principal	34,428	(15)	**34,413**
Financing cash flows - payments of interest	(7,223)	(7)	**(7,230)**
Non-cash movements:			
Additions	-	33	**33**
Application of effective interest rate	7,525	7	**7,532**
Carrying value at 31 March 2020	**224,578**	**44**	**224,622**

Note 33 Finance Leases

Note 33.1 Northern Lincolnshire and Goole NHS Foundation Trust as a Lessor

The NHS Foundation Trust has arrangements with other NHS and non-NHS bodies whereby the NHS Foundation Trust receives income for the premises rented to these bodies. These arrangements are covered by annual service level agreements and are normally for a term of one year, renewable at the end of each year by mutual agreement. This income is included within this year's operating income shown in these financial statements. These arrangements are not classed as leases.

Note 33.2 Northern Lincolnshire and Goole NHS Foundation Trust as a Lessee

Obligations under finance leases where the Trust is the lessee.

	Group			Trust	
	31 March 2021	31 March 2020		31 March 2021	31 March 2020
	£000	£000		£000	£000
Gross lease liabilities	**43**	**57**		**43**	**57**
of which liabilities are due:					
- not later than one year;	18	27		18	27
- later than one year and not later than five years;	25	26		25	26
- later than five years.	-	4		-	4
Finance charges allocated to future periods	(5)	(13)		(5)	(13)
Net lease liabilities	**38**	**44**		**38**	**44**
of which payable:					
- not later than one year;	16	19		16	19
- later than one year and not later than five years;	22	22		22	22
- later than five years.	-	3		-	3
Total of future minimum sublease payments to be received at the reporting date	-	-		**-**	**-**

There are no sub lease or contingent rents.

Note 34 Provisions for Liabilities and Charges Analysis

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2020	**1,941**	**2,954**	**93**	**171**	**756**	**5,915**
Arising during the year	120	364	162	122	132	**900**
Utilised during the year	(256)	(139)	-	(144)	-	**(539)**
Reversed unused	-	-	(83)	(27)	-	**(110)**
Unwinding of discount	(17)	(32)	-	-	-	**(49)**
At 31 March 2021	**1,788**	**3,147**	**172**	**122**	**888**	**6,117**
Expected timing of cash flows:						
- not later than one year;	255	141	172	122	-	**690**
- later than one year and not later than five years;	1,011	577	-	-	-	**1,588**
- later than five years.	522	2,429	-	-	888	**3,839**
Total	**1,788**	**3,147**	**172**	**122**	**888**	**6,117**

The provision for early departure costs and injury benefits represents amounts payable to the NHS Business Services Authority, pensions division, to meet the costs of early retirement and industrial injury benefits. The provision is based on estimate of life expectancy and therefore there is a degree of uncertainty about the value of payments in the future. The provision for legal claims are permanent injury benefits and employer's liability claims, the provision is based on claims information received from NHS Resolution. All claims are handled by NHS Resolution on behalf of the Trust and they advise on likelihood and value of settlement. The timing and value of settlements are subject to both local negotiation and the judgement of NHS Resolution. The Trust's liability in respect of each claim is limited to the level of excess determined by NHS Resolution. The restructuring provision is to support payments in line with the Trust pay protection policy. Pay protection is given for one year. Other provisions includes £888k relating to clinician pension tax reimbursement. A reimbursement has been recognised within non-current debtors.

Note 35 Clinical Negligence Liabilities

At 31 March 2021, £148,523k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Northern Lincolnshire and Goole NHS Foundation Trust (31 March 2020: £149,812k).

Note 36 Contingent Assets and Liabilities

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	(106)	(54)	(106)	(54)
Gross value of contingent liabilities	**(106)**	**(54)**	**(106)**	**(54)**
Amounts recoverable against liabilities	-	-		
Net value of contingent liabilities	**(106)**	**(54)**	**(106)**	**(54)**
Net value of contingent assets	**-**	**-**		

Note 37 Contractual Capital Commitments

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Property, plant and equipment	5,040	6,946	5,040	6,946
Intangible assets	-	19		
Total	**5,040**	**6,965**	**5,040**	**6,946**

Note 38 Defined Benefit Pension Schemes

The NHS Foundation Trust has no defined benefit pension schemes.

Note 39 On-SoFP PFI, LIFT or Other Service Concession Arrangements

The NHS Foundation Trust does not have any PFI or LIFT schemes at 31 March 2021.

Note 40 Off-SoFP PFI, LIFT and Other Service Concession Arrangements

The NHS Foundation Trust does not have any Off-SOFP PFI or LIFT schemes at 31 March 2021.

Note 41 Financial Instruments

Note 41.1 Financial Risk Management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Foundation Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities.

The NHS Foundation Trust's treasury management operations are carried out by the Finance Directorate, within parameters defined formally within the NHS Foundation Trust's Standing Financial Instructions and policies agreed by the Board of Directors. NHS Foundation Trust treasury activity is subject to regular review by the Finance and Performance Committee and the Trust's internal auditors.

Currency Risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk
The Trust currently has borrowings of £10.871m (£222.796m 2019/20), (excluding interest), the following table provides details of the interest rates, purpose of the loan and outstanding balance.

Loan - Purpose	Interest Rate %	Balance at 31 March 2021 £000
Residential Accommodation DPoW Phase 1	2.06%	5,311
Energy Performance Contract	2.39%	5,560
Total		**10,871**

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 DHSC interim revenue and capital loans as at 31 March 2020 were extinguished and replaced with Public Dividend Capital (PDC).

Credit Risk
Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers and investments held by the charitable fund as shown note 20, as disclosed in the Trade and other receivables note 24.

Liquidity Risk
The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from internally generated funds and funds obtained from Department of Health or Independent Financing Facility loans. The Trust has in place Liquidity Support Funding agreed with the Department of Health and the Independent Financing Facility for short term working capital support. This gives the Trust liquidity assurance to cover the period prior to regulator approval of future plans and to manage normal variations in cashflow.

Note 41.2 Carrying Values of Financial Assets (Group)

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	9,107	-	-	**9,107**
Cash and cash equivalents	54,391	-	-	**54,391**
Consolidated NHS Charitable fund financial assets	1,994	-	-	**1,994**
Total at 31 March 2021	**65,492**	**-**	**-**	**65,492**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	22,745	-	-	**22,745**
Cash and cash equivalents	20,564	-	-	**20,564**
Consolidated NHS Charitable fund financial assets	1,763	-	-	**1,763**
Total at 31 March 2020	**45,072**	**-**	**-**	**45,072**

Note 41.3 Carrying Values of Financial Assets (Trust)

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	9,107	-	-	**9,107**
Cash and cash equivalents	54,032	-	-	**54,032**
Total at 31 March 2021	**63,139**	**-**	**-**	**63,139**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	22,739	-	-	**22,739**
Cash and cash equivalents	20,533	-	-	**20,533**
Total at 31 March 2020	**43,272**	**-**	**-**	**43,272**

Note 41.4 Carrying Values of Financial Liabilities (Group)

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	10,958	-	**10,958**
Obligations under finance leases	38	-	**38**
Trade and other payables excluding non-financial liabilities	50,623	-	**50,623**
Total at 31 March 2021	**61,619**	**-**	**61,619**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	224,578	-	**224,578**
Obligations under finance leases	44	-	**44**
Trade and other payables excluding non-financial liabilities	30,838	-	**30,838**
Total at 31 March 2020	**255,460**	**-**	**255,460**

Note 41.5 Carrying Values of Financial Liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	10,958	-	**10,958**
Obligations under finance leases	38	-	**38**
Trade and other payables excluding non-financial liabilities	50,546	-	**50,546**
Total at 31 March 2021	**61,542**	**-**	**61,542**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	224,578	-	**224,578**
Obligations under finance leases	44	-	**44**
Trade and other payables excluding non-financial liabilities	30,836	-	**30,836**
Total at 31 March 2020	**255,458**	**-**	**255,458**

Note 41.6 Maturity of Financial Liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	2020/21		2019/20	
	31 March 2021	31 March 2020 restated*	31 March 2021	31 March 2020 restated*
	£000	£000	£000	£000
In one year or less	52,205	244,818	52,205	244,818
In more than one year but not more than five years	5,983	6,103	5,983	6,103
In more than five years	4,402	5,851	4,402	5,851
Total	**62,590**	**256,772**	**62,590**	**256,772**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 42 Losses and Special Payments

	2020/21		2019/20	
Group and Trust	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	2	6	4	1
Fruitless payments and constructive losses	5	3	2	4
Bad debts and claims abandoned	78	12	336	75
Stores losses and damage to property	27	22	30	55
Total losses	**112**	**43**	**372**	**135**
Special payments				
Compensation under court order or legally binding arbitration award	1	1	-	-
Ex-gratia payments	15	10	27	12
Total special payments	**16**	**11**	**27**	**12**
Total losses and special payments	**128**	**54**	**399**	**147**
Compensation payments received		-		-

Note 43 Related Parties

During the year none of the DHSC Ministers, NHS Foundation Trust Board Members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Northern Lincolnshire and Goole NHS Foundation Trust. The DHSC is regarded as a related party. During the year, this NHS Foundation Trust has had a significant number of material transactions with other entities for which the DHSC is regarded as the parent department. These entities are: NHS England, Clinical Commissioning Groups, NHS Trusts, NHS Foundation Trusts and NHS Resolution.

In addition, the NHS Foundation Trust has had a number of material transactions with other Government departments and other central and Local Government bodies. The NHS Foundation Trust has also received revenue and capital payments from a number of charitable funds. The trustees of the charitable funds are also members of the NHS Foundation Trust Board.

	2020/21 Income £000	2020/21 Expenditure £000	31 March 2021 Receivables £000	31 March 2021 Payables £000
Calderdale & Huddersfield NHS Foundation Trust	-	86	-	-
Care Quality Commission	-	243	-	-
Department of Health and Social Care	153	-	-	-
Doncaster & Bassetlaw Teaching Hospitals NHS Foundation Trust	7	204	132	138
East Riding of Yorkshire Council	-	222	-	-
Guy's & St Thomas' NHS Foundation Trust	1	319	1	8
Health Education England	13,793	42	630	-
Harrogate & District NHS Foundation Trust	55	-	26	-
Hull University Teaching Hospitals NHS Trust	1,183	2,649	265	-
Leeds Teaching Hospitals NHS Trust	12	345	4	173
Lincolnshire Community Health Services NHS Trust	482	-	164	-
Lincolnshire Partnership NHS Foundation Trust	106	-	45	-
NHS Bassetlaw CCG	178	-	-	-
NHS Blood & Transplant	25	1,538	-	31
NHS Bradford City CCG	168	22	-	-
NHS Doncaster CCG	993	-	-	-
NHS East Riding of Yorkshire CCG	18,824	-	-	-
NHS England	68,546	74	2,274	275
NHS Hull CCG	36,895	-	-	-
NHS Improvement	1,282	-	1,079	-
NHS Lincolnshire CCG	50,312	-	-	18
NHS North East Lincolnshire CCG	117,936	114	-	72
NHS North Lincolnshire CCG	125,836	83	-	236
NHS Pension Scheme	-	36,358	-	3,653
NHS Property Services	-	612	12	1,529
NHS Resolution	-	15,285	-	-
NHS Vale of York CCG	653	-	-	-
Norfolk and Norwich University Hospitals NHS Foundation Trust	503	-	-	-
North Cumbria Integrated Care NHS Foundation Trust	474	-	-	-

	2020/21 Income	2020/21 Expenditure	31 March 2021 Receivables	31 March 2021 Payables
	£000	£000	£000	£000
North East Lincolnshire Council	319	1,034	45	-
North Lincolnshire Council	848	909	8	-
North Tees and Hartlepool NHS Foundation Trust	-	126	-	-
Nottingham University Hospitals NHS Foundation Trust	135	346	11	123
Portsmouth Hospitals University NHS Trust	-	107	-	-
Public Health England	-	120	-	90
Rotherham Doncaster and South Humber Mental Health NHS Foundation Trust	315	201	226	36
Sheffield Children's NHS Foundation Trust	7	253	10	94
Sheffield Teaching Hospitals NHS Foundation Trust	543	168	186	113
The Rotherham NHS Foundation Trust	-	50	-	43
United Lincolnshire Hospitals NHS Trust	9,805	994	210	467
University Hospitals Birmingham NHS Foundation Trust	1	406	-	148
University Hospitals of Leicester NHS Trust	136	27	106	7
York Teaching Hospitals NHS Foundation Trust	15	65	8	34
Other (Total)	132	371	125	214
Total Related Parties	**450,673**	**63,373**	**5,567**	**7,502**
HM Revenue and Customs (Taxes and Duties)	-	24,461	707	7,143
Other Government Departments	**-**	**24,461**	**707**	**7,143**
Comparatives 2019/20				
Total Related Parties	**391,673**	**59,790**	**16,328**	**9,571**
Other Government Departments	**-**	**22,442**	**827**	**6,284**

Contact Us:

Telephone: **03033 303035**
Email: **nlg-tr.comms@nhs.net**
Visit: **www.nlg.nhs.uk**

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