



### Report Cover Sheet

Report to:	Trust Board	
Date of the Meeting:	30 September 2020	
Agenda Item:	P1-148-20	
Title:	Annual Accounts and Report 2019/2020	
Report prepared by:	James Thomson and Angela Wendzicha	
Executive Lead:	Liz Bishop	
Status of the Report:	Public	Private
	X	

Paper previously considered by:	Audit Committee
Date & Decision:	30 June and 21 July 2020: Approved by the Audit Committee under delegated authority from the Board.

Purpose of the Paper/Key Points for Discussion:	<p>The Trust was required to submit the Annual Accounts and Report to the Department of Health and Social Care Parliamentary Office to be laid before Parliament by 28 August 2020 which was completed.</p> <p>The Annual Accounts and Report are presented to Board for completeness prior to wider circulation on the Trust website.</p>
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Action Required:	Discuss	
	Approve	
	For Information/Noting	X

Next steps required	Following confirmation that the Annual Accounts and Report have been laid before Parliament the Report will be uploaded to the Trust public website.
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*The paper links to the following strategic priorities (please tick)*

Deliver <b>outstanding care locally</b>	√	Collaborative system <b>leadership</b> to <b>deliver better patient care</b>	√
<b>Retain and develop outstanding staff</b>	√	Be <b>enterprising</b>	√
<b>Invest in research &amp; innovation</b> to deliver <b>excellent</b> patient <b>care</b> in the future	√	Maintain <b>excellent</b> quality, operational and financial <b>performance</b>	√

*The paper relates to the following Board Assurance Framework (BAF) Risks*

BAF Risk	Please Tick
1. If we do not optimise quality outcomes we will not be able to provide outstanding care	√
2. If we do not prioritise the costs of the delivering the Transforming Cancer Care Programme we will not be able to maintain our long-term financial strength and make appropriate strategic investments.	√
3. If we do not have the right infrastructure (estate, communication & engagement, information and technology) we will be unable to deliver care close to home.	√
4. If we do not have the right innovative workforce solutions including education and development, we will not have the right skills, in the right place, at the right time to deliver the outstanding care.	√
5. If we do not have an organisational culture that promotes positive staff engagement and excellent health and well-being we will not be able to retain and attract the right workforce.	√
6. If we fail to implement and optimise digital technology we will not deliver optimal patient outcomes and operational effectiveness.	√
7. If we fail to position the organisation as a credible research partner we will limit patient access to clinical trials and affect our reputation as a specialist centre delivering excellent patient care in the future.	√
8. If we do not retain system-side leadership, for example, SRO for Cancer Alliance and influence the National Cancer Policy, we will not have the right influence on the strategic direction to deliver outstanding cancer services for the population of Cheshire & Merseyside.	√
9. If we do not support and invest in entrepreneurial ideas and adapt to changes in national priorities and market conditions we will stifle innovative cancer services for the future.	√
10. If we do not continually support, lead and prioritise improved quality, operational and financial performance, we will not provide safe, efficient and effective cancer services.	√

Equality & Diversity Impact Assessment		
Are there concerns that the policy/service could have an adverse impact on:	YES	NO
Age		X
Disability		X
Gender		X
Race		X
Sexual Orientation		X
Gender Reassignment		X
Religion/Belief		X
Pregnancy and Maternity		X

If YES to one or more of the above please add further detail and identify if a full impact assessment is required.



The Clatterbridge  
Cancer Centre  
NHS Foundation Trust

# Annual Report and Accounts

From 1st April 2019 to 31st March 2020







# **Annual Report and Accounts**

**From 1st April 2019 to 31st March 2020**

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



# Contents

## Annual Report

Introduction	6
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## Performance Report

Overview of Performance	7
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## Accountability Report

Director's Report	19
Remuneration Report	31
Staff Report	35
NHS Foundation Trust Code of Governance Disclosures	47
NHS Oversight Framework	47
Statement of accounting officer's responsibility	49
Annual Governance Statement	50

## Annual Accounts

Foreword to the Accounts	57
Independent Auditor's Report	66
Notes to the Accounts	95

## Introduction from the Chair and Chief Executive

We are very pleased to report that 2019/2020 has been a very positive year for the Trust. We are proud of the way in which all staff have worked tirelessly to ensure that our patients receive the best care possible.

Towards the end of the financial year we saw the emergence of the Covid-19 pandemic and very soon it became clear the effects this would have on our cancer patients. The Trust, responded to the Covid-19 pandemic with the usual professionalism and 'can do' attitude often working in difficult circumstances but still retaining a clear dedication to ensuring all our patients receive outstanding care.

During the course of the last year, we built upon our highly ambitious priorities within our Strategy. We are delighted that our new flagship hospital, The Clatterbridge Cancer Centre- Liverpool will open to patients on 27 June 2020. Our new 11-storey building is a state of the art hospital and will deliver a wide range of highly specialist cancer care including pioneering chemotherapy, immunotherapy, bone marrow transplant, gene therapy and radiotherapy.

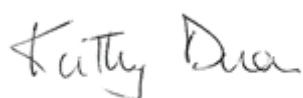
As the location of the new cancer hospital is close to the Liverpool Royal University Hospital NHS Foundation Trust and the University of Liverpool, it means we can not only provide even better, safer care for the most seriously unwell cancer patients with rapid on-site access to medical and surgical specialties we will be more centrally located for the population we serve, therefore reducing journey time for many patients. In addition, we will be able to carry out a wider range of research and clinical trials for new treatments.

Collaboration continues to be vital to The Clatterbridge Cancer Centre and we are a pivotal part of the Cheshire and Merseyside Cancer Alliance by supporting the Alliance and the healthcare system in improving and delivering on waiting times targets. The Cheshire and Merseyside Cancer Alliance has provided system leadership and operational oversight of the restoration of cancer services since the beginning of the Covid-19 pandemic. This work is key in creating sufficient capacity, ensuring equity of access in addition to building patient confidence.

So much of our work here at The Clatterbridge Cancer Centre would not be possible without the hard work of our charity and it is thanks to the hard work of our staff and the generosity of our donors that we have been able to realise the completion of our new hospital in Liverpool.

Our thanks must finally go to the dedication and efforts shown by our strong and committed workforce, our Governors and Members in addition to our team of volunteers. They all work tirelessly to provide the very best care for our patients and none of the achievements outlined in this report would be possible without their skill, dedication and compassion.

We now look forward to the opening of our new hospital with pride and positivity which we hope will give our patients a positive environment in which to receive their treatments.



**Kathy Doran, Chair**



**Dr Liz Bishop, Chief Executive**

# 1. Performance Report

The purpose of the Performance Report is to provide a brief introduction to The Clatterbridge Cancer Centre NHS Foundation Trust including a brief look back at our history, our objectives in addition to any key issues or risks to delivery of those objectives.

## An overview of Performance at The Clatterbridge Cancer Centre NHS Foundation Trust

### Chief Executive's Statement on the Trust Performance 2019/2020

I am delighted to introduce my second Annual Report and Accounts for 2019/2020 which provides an overview and insight into our successes and challenges over the last financial year.

The Clatterbridge Cancer Centre is one of the UK's leading cancer centres and I am proud to lead a team of highly motivated and caring staff who consistently demonstrate that they place our patients at the heart of what they do. I am pleased that The Clatterbridge Cancer Centre continues to build on the April 2019 Care Quality Commission rating of GOOD and I would like to extend my thanks to all staff for their continued commitment.

One of the significant issues that occurred towards the end of the financial year was the need for the Trust to respond to Covid-19. The Trust responded immediately to this by invoking our Emergency Preparedness Resilience and Response Policy quickly establishing an incident room staffed initially five days a week increasing to seven days a week as the pandemic developed and we were required to respond to over 1,800 documents and guidance. I am proud of the way in which our staff and patients responded to a different way of working with many of our face to face consultations rapidly converting to telephone or video consultation as a significant number of our patients were shielding. In addition, we established a patient helpline dedicated to providing our patients with advice specifically related to Covid-19. We put in place a comprehensive health and wellbeing offer for our staff which included such support as an employee assistance plan service, health and wellbeing hub, food provision for weekend workers, extension of bereavement leave to 14 days and an automatic pay progression applied for all eligible staff.

Over the last financial year we have further developed and refined our Integrated Performance Report which provides a monthly report on our Performance against a suite of indicators and national standards which provide important information about our performance during the year. As we are not required, as an exception for this year, to include a detailed performance analysis section to the Annual Report I have included in my Performance Report, an overview of the Trust's performance for the year as follows:

#### • Overall performance against 62 day waiting times

- ▶ The Trust met the 85% target every month except for August 2019 and January 2020 when performance slipped to 82% and 77% respectively. These are expected seasonal reductions in performance related to patients choosing to delay treatment.
- ▶ Performance in all other months was recorded as between 85 and 95%

#### • Overall performance on 2 week cancer waiting times

- ▶ We met the 93% target in every month with the exception of May (91%), September (81%) and January (88%). For 9 months of the year, our performance was 100%.

#### • Referral to treatment

- ▶ The Trust met the 90% target for referral to treatment admitted patients seen within 18 weeks from the initial GP referral to treatment.
- ▶ The Trust consistently met the 95% target for referral to treatment non admitted patients seen within 18 weeks from the initial GP referral to treatment.
- ▶ The 92% target was met in every month for the number of incomplete pathways.



- Length of Stay

- ▶ We did not consistently achieve the target relating to length of stay for our haemato-oncology patients and our solid tumour patients. The target for the elective solid tumour length of stay has been revised for 2020/21 and the Patient Flow Team continues to utilize the Clinical Utilisation Review approach to manage appropriate utilisation of beds.
- ▶ However, for a number of our patients, it has been a clinical decision to keep some patients in longer in order to complete more investigations which has been the right decision for our patients.

- Radiology Reporting

- ▶ We have experienced some challenges in relation to radiology reporting as a result of the national shortage of radiologists. The Trust has an internal target of 90% for the reporting of inpatient scans within 24 hours and outpatients within 7 days, we did not consistently achieve this. The Performance Committee requested a 'deep dive' review into our performance in relation to radiology reporting and in particular any direct impact on patient care. I am pleased that, following receipt of the review, the Performance Committee was content that no patient came to harm as a result and that processes are in place to utilize a clinical prioritisation report in addition to production of a daily situation report.
- ▶ Performance has improved during 2019/2020 and continues to be monitored on a monthly basis through the Directorate reviews and committee structures.

- The Trust has not been involved in any Never Events but we reported three Serious Incidents.
- During 2019/2020 we had one case of MRSA and eight cases of pseudomonas. We also reported 11 cases of C.Difficile during the last financial year.
- The Trust has not consistently met the target for antibiotics administered within one hour where sepsis was suspected which resulted in a programme of education for clinical and nursing staff.

## Purpose & Activities of the Trust

The Trust has over 1,200 dedicated members of staff providing services for our patients and their families across Cheshire, Merseyside in addition to the Isle of Man. We are a tertiary cancer centre combining world-class clinical services, research and academic excellence. The Clatterbridge Cancer Centre is one of the UK's leading cancer hospitals operating across 18 sites for the people of Merseyside, Cheshire and the Isle of Man where we continually provide the highest quality, specialist, non-surgical oncology treatment.



The services we provide comprise:

**Chemotherapy services** – We are committed to bringing cancer services closer to where our patients are. The Chemotherapy Services Directorate provides systemic anti-cancer therapy (SACT), supportive therapies and outpatient services for patients. In addition, the Directorate has close links with all external key providers within the Cancer Alliance.

The Directorate provides five core services as follows:

### **Day case SACT -**

This includes phase 1, 2 and 3 clinical trials on the main site in addition to 7 District General Hospitals across the Merseyside and Cheshire region.

### **Acute Oncology -**

Across the main site and 7 acute trusts within the Merseyside and Cheshire region.

### **Chemotherapy at Home -**

This is currently being rolled out across the network and receives outstanding feedback from patients.

### **Chemotherapy at Work -**

This has been introduced for eligible regimens and enables those patients who have cancer to remain at work should they wish to do so.

### **Pharmacy -**

This service includes prescription verification, preparation and dispensing of SACT and supportive therapies in addition to Trust wide responsibility for medicines management, information and advice. We also deliver parenteral cancer treatment manufacturing and dispensing through Medicines and Healthcare Regulatory Authority (MHRA) licensed production facilities in addition to a pharmacy dispensing provision through one of subsidiary companies, The Clatterbridge Pharmacy Limited (CPL).

Our Chemotherapy Service delivery model is based on providing safe and effective cancer care and treatment close to the patient's home and we have chemotherapy nursing teams based at four sector hubs which do enable the delivery of complex treatments closer to the patient's home; this also assists with equity of access to research trails.



### **Radiation Services**

Radiation services provide an external beam radiotherapy service, brachytherapy, Papillon, low energy proton service and imaging services for the organization.

#### **External beam radiotherapy**

This service at The Clatterbridge Cancer Centre is one of the largest in England with over 90,000 attendances delivered annually. The service is provided across two sites, CCC-Wirral and CCC Aintree.

#### **Brachytherapy**

Provision for patients across Merseyside and Cheshire, Isle of Man and North Wales is provided from our CCC Wirral site.

#### **Papillon Contact Radiotherapy**

The Papillon technique is a groundbreaking type of contact radiotherapy developed for the treatment of rectal cancer. The Clatterbridge Cancer Centre first introduced Papillon Contact Radiotherapy in 1993 and since then we have been at the forefront of the development of the treatment.

## National Centre for Eye Proton Therapy

Provision for patients of a low energy proton service.

## Papillon Contact Radiotherapy

At present, Papillon is only offered in 4 centres in England and as we have the most well established service we receive significant referrals from across the UK.

## Imaging

Our Diagnostic Imaging Department provides a wide range of services for cancer patients across Merseyside and Cheshire and include CT, PET/CT, MR, Nuclear Medicine (Gamma Camera), X-ray and Ultrasound.

## Integrated Care

The Integrated Care Directorate is a Clinical Directorate that works closely with our other Directorates to provide clinical support to patients receiving specialist cancer care.

It comprises a broad range of clinical and non-clinical services that collectively support each individual patient's journey. Services include:

- Three wards comprising 73 beds including a dedicated four Teenage and Young Adult (TYA) unit and two step-up beds for patients who require more intense monitoring.
- A Clinical Decisions Unit and patient hotline
- Nurse led intervention service for Central Venous Access
- Nurse led Lymphoedema service
- A seven day palliative care service

- Advanced Nursing Team with Clinical Nurse Practitioners across all tumour groups
- Allied Health Professionals comprising physiotherapy, occupational therapy, speech and language therapy and dietetics
- Psychological support
- Patient services supporting front of house
- Macmillan advice and support services including benefits advice.
- We have further developed our Clinical Decisions Unit which has significantly improved the management of patients that become unwell during treatment. This service has seen a reduction in the number of overnight admissions and offers urgent treatments such as blood transfusions as a short stay procedure.

## Haemato-Oncology Service

The service is currently hosted by the Royal Liverpool University Hospital but will move into our new state of the art hospital in Liverpool over the coming months. The service has a strong reputation for innovative care of patients and is the major tertiary referral centre and the largest provider of specialist level 4 clinical Haemato-Oncology services for adults, teenagers and young adults in Merseyside, Cheshire and the Isle of Man.

The service provides a wide range of Haemato-Oncology consultant-led care in the following sub-specialties:

- Myeloid (Leukaemia and Myeloproliferative Disorders)
- Lymphoid (Lymphoma and Lymphoid conditions)
- Stem Cell Transplantation (Allogenic and Autologous)
- Bone Marrow Transplants





# Research and Innovation

The Research and Innovation (R&I) Directorate is led by the Director of R&I Operations and the Clinical Director for R&I. The Executive Lead is the Medical Director. The Director of R&I Operations is responsible for the operational oversight of all clinical and academic research taking place at the Trust and the Clinical Director for R&I is responsible for the strategic direction of research for the organisation. The R&I Directorate is made up of the Research Delivery Team, the Research Management and Governance Team and the Research Finances Team.

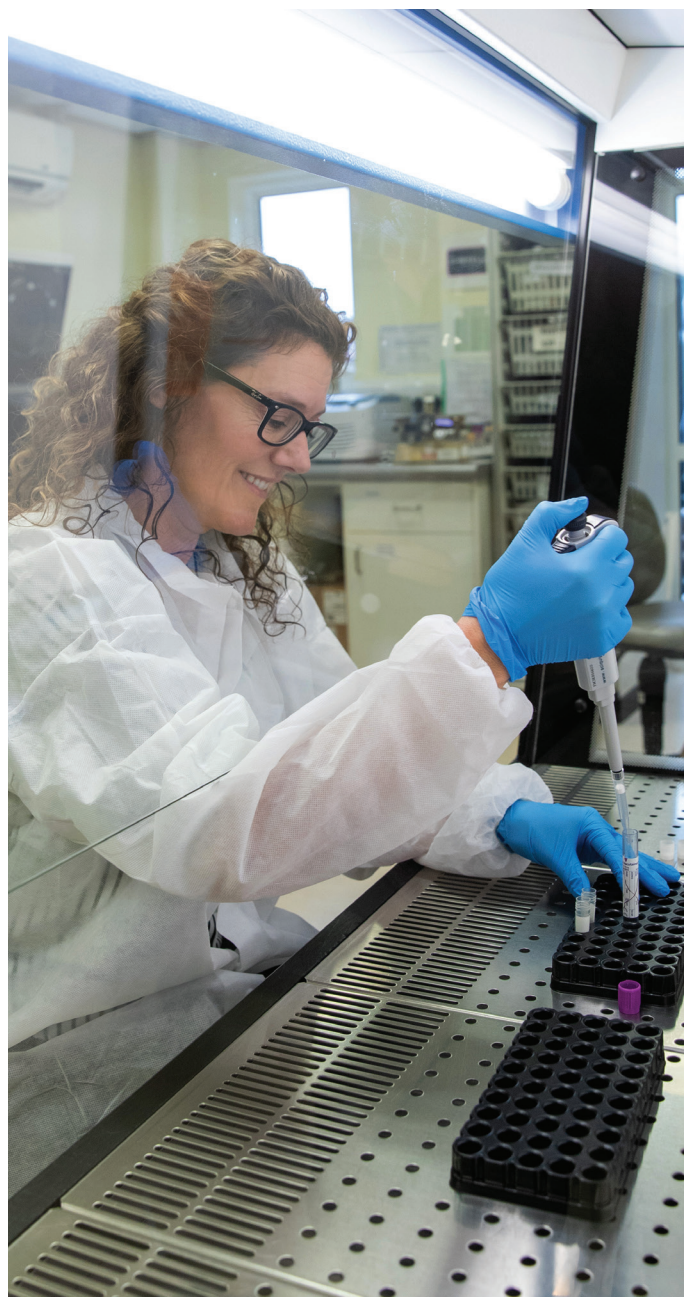
## Developments in 2019/2020

Research and Innovation at the Trust has made significant developments this year:

- A new Director of R&I Operations was appointed in April 2019 and the role of the Clinical Director of R&I was also established. The R&I Directorate has since undergone significant changes in infrastructure by strengthening the management and governance arrangements as follows:
  - ▶ Oversight committees within the Directorate have ensured engagement and participation of the wider trust both in the clinical and allied service sectors.
  - ▶ The Research Finance Team was expanded and joined the R&I Directorate full time to provide robust fiscal support.
  - ▶ The research operational elements of the Haemato-oncology Team joined the R&I Directorate enabling streamlined and proactive management of all research activities under one governance umbrella.
  - ▶ Eleven Site Reference Group (SRG) Research Leads were appointment to act as a conduit into the SRGs.
- The CCC Research Strategy has undergone a refresh (pending Board approval) with a vision and plan for the next five years. This is an ambitious project underpinned by significant Trust investment which aims to position CCC as a nationally recognised centre for cancer research. The new strategy, infrastructure and robust governance is important for research as we mobilise into the CCC-Liverpool to expand research as core business for the Trust and offering patient choice and confidence in accessing state of the art treatments for cancer.

## Notable achievements in 2019/2020

- R&I achieved the highest level of patients recruited into research studies this year, 1205 participants, surpassing the target of 1000 patients.
- A significant reduction in study set-up times from 198 days to 27 days (median) was achieved which is well below the national target.
- CCC was the first site in the world to recruit a patient with a cancer affecting the central nervous system to an early phase clinical trial (RAGNAR study) of a pioneering new therapy. The team were also the first site in the UK to achieve their target for the number of patients recruited onto the trial. (Principal Investigator: Professor Dan Palmer).



- We achieved a top ten place in two categories in the National Research Activity League tables. The categories were:
  - ▶ the biggest increase in the number of research studies opened
  - ▶ the biggest increase in commercial contract research studies opened.

This is a testament to the focus and development of research as a critical element within the Trust.

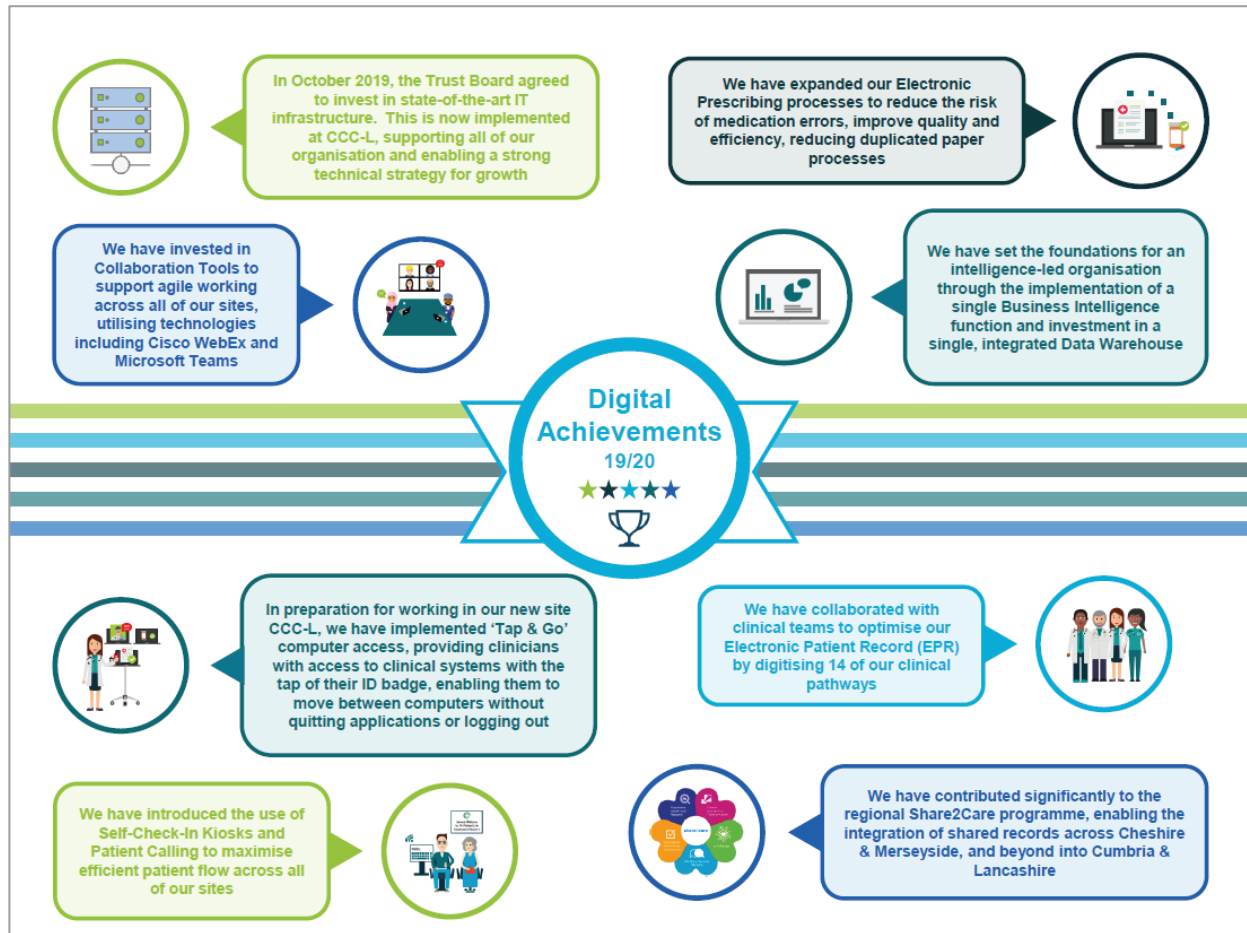
- The Clatterbridge Cancer Charity funding call for research was re-invigorated this year resulting in £249,872 monies funding ten research projects led by CCC staff across a range of specialisms. This is critical funding for patient benefit and will support the aim of increasing research throughout the Trust. There has been a delay in starting these studies due to the COVID-19 pandemic but we anticipate initiating these studies as soon as it is safe to do so.
- CCC has continued to be a lead Trust in the development of the Liverpool Health Partners SPARK office (Single Point of Access for Research and Knowledge). CCC staff have developed the governance and business intelligence activity reporting based on the CCC configuration for which CCC is a national exemplar.
- International Clinical Trials Day was celebrated across the Trust with events at CCC-Wirral and at Aintree. R&I also hosted a successful and well-received Patient and Public Involvement and Engagement event
- The CCC Biobank continues to expand with the highest levels of recruitment of participants this year donating samples for high quality future research.
- CCC research were finalists in the North West Coast Clinical Research Network awards in the following categories:
  - ▶ Researcher of the Year, Dr Joe Sacco and Dr Anna Olsson-Brown
  - ▶ Research Rising Star of the Year, Dr Rachel Brooker
  - ▶ Patient Safety Innovation, Dr Amit Patel
- We continue to support CCC-led research where CCC acts as Sponsor, opening a key strategic hepatobiliary clinical trial that is not only national but will be opened internationally. We also have three COVID-19 CCC-led studies which are currently in set-up.

## Digital

Throughout 2019/2020, The Clatterbridge Cancer Centre has been well equipped to support its digital ambition having already started its journey as one of the 17 original “Fast Follower” Trusts in England to be funded by the Global Digital Exemplar (GDE) programme. This has enabled us to implement a suite of digital tools with the objective of creating Digital Patients and Agile Clinicians. To date, we have completed forty-four GDE milestone deliverables within the programme, and have identified over one hundred benefits. The GDE programme has enabled the Trust to take on digital challenges and in some cases, exceed the milestone targets laid out for “Digital” in the NHS Long Term Plan, published in November 2019.



## Key achievements during 2019/2020 for Digital



## Digital Leadership

The Clatterbridge Cancer Centre recognises the importance of Digital leadership. The Medical Director is Senior Responsible Owner (SRO) for the Digital programme, chairing the Digital Board and ensuring strong senior Executive support. The Chief Information Officer (CIO) joined the Trust Board in October 2019, ahead of guidance outlined in the NHS Long Term Plan. The Chief Clinical Information Officer (CCIO) and the CIO lead clinical and operational groups to drive digital change through transformational programmes of work.

During 2019/2020, the Digital Team has restructured how it is organised to deliver; providing key leadership roles within IT Operations, Digital Programmes and Business Intelligence. The Trust has developed a Clinical Transformation Team that resides within the Digital Programme Team, ensuring that clinical leadership is embedded within all digital initiatives. The Trust has also recruited a Chief Medicines Information Officer (CMIO) who leads on Medicines Optimisation developments alongside the CIO and Chief Pharmacist.

## System Leadership and Stakeholder Relations

### Cheshire and Merseyside Cancer Alliance

During the last financial year, the Trust has continued to build on the strong partnerships and alliances in recognition of the importance of system collaboration in order to deliver outstanding cancer services. During the last year, as host to the Cheshire and Merseyside Cancer Alliance and Chaired by our Chief Executive, we have established long term commitments for cancer with key priorities including maintaining and improving cancer performance, completion of a clinically led review of the Cancer Waiting Time standards with an emphasis on system level performance and accountability.

Towards the end of the financial year, the Cancer Alliance became the driving force behind the recovery plan for cancer patients who had their surgery suspended as a direct response to Covid-19 pandemic. We will continue to influence the response through strong Executive and Clinical leadership.

### The Clatterbridge Cancer Charity

The Clatterbridge Cancer Charity has seen another successful year, raising a further £3,132,688 for the Trust. The Charity hosted a very successful Ball in October 2019 raising an incredible £170,000.00 to support our patients. However, the effect of Covid-19 has been felt by our Charity resulting in a reduction in donations. We continue to remain incredibly grateful to all our supporters who help to make these things possible by giving their time, money or services to the Charity year on year.



## Developing our Commercial Partnerships

The Trust has a commitment to developing our commercial activities as a way of re-investing back into the NHS for the sole benefit of our patients.

During the last year we have progressed with our commercial activities and will continue to develop these over the next 12 months:

- **The Clatterbridge Private Patient Joint Venture**

The Clatterbridge Private Clinic offers patients access to specialist, integrated cancer services in dedicated private surroundings. The Clinic is a Limited Liability Partnership first established in 2013 and operates as a Joint Venture partnership between the Trust and the Mater Private Healthcare. Towards the end of the financial year we successfully renewed the agreement for a further period of time. The Joint Venture is fully committed to the delivery of exceptional cancer care which is consultant-led and tailored to meet the needs of the patient.

Any profit resulting from the Joint Venture has been directed back into Clatterbridge Cancer Centre for the benefit of the NHS.

- **The Clatterbridge Pharmacy Ltd (CPL, trading as PharmaC)**

CPL was established in 2013 and is one of the Trust's wholly owned subsidiary companies with the primary objective to deliver an efficient and patient-focused pharmacy service. During the last year, CPL has worked in conjunction with the Trust in preparation for the expansion into Liverpool. In addition, CPL has supported the Trust with the continued delivery of Chemotherapy at home and further developed our Chemotherapy in the workplace.

- **PropCare**

The Trust established Clatterbridge PropCare Services Ltd (PropCare) as a wholly owned subsidiary in 2016. PropCare has responsibility for the estates management of the Trust's existing sites and predominately worked with the construction team on the delivery of our new hospital in Liverpool.

Any financial contribution for the Company to the Trust is reinvested directly into supporting the Trust as it continues to deliver high quality pharmaceutical care to all.

The Trust will continue to develop relationships with partners, local stakeholders and commissioners

# Overview of the Trust's Strategy

Our Strategy makes it clear what we want to achieve over the next five years with our partners, placing the needs of the patients at the very heart of the organization to ensure that we can continue to provide the best possible care and outcomes for cancer patients into the future.

In October 2019 the Board held a Board Development day in which consideration was given to developing the next 5 year Strategy taking into consideration the NHS Long Term Plan and how our Strategy for the next 5 years will dovetail with the longer term NHS Plan. Further work will be progressed on our Strategy over the next year.

## Our Vision

To provide the best cancer care to the people we serve

## Our Mission

To improve health and wellbeing through compassionate, safe and effective cancer care

***Our mission, vision and values will help in providing organisational strategic direction during a pivotal time in our history as we move towards fulfilling our commitment of transforming cancer care through the development of the new centre in Liverpool.***

## Our Values

Putting people first  
Achieving excellence  
Passionate about what we do  
Always improving our care  
Looking to the future

Our mission, vision and values will help in providing organisational strategic direction during a pivotal time in our history as we move towards fulfilling our commitment of transforming cancer care through the development of the new cancer centre in Liverpool.

During the course of the year we updated our Strategic Objectives and formulated a set of Strategic Priorities as follows:

1. Transforming Cancer Care Through our New Clinical Model
2. Retaining and Developing our Outstanding Staff
3. Investing in Patient Focused Research and Innovation
4. Taking a Leadership Role in Collaboration with Regional Care Bodies and Research Centres
5. Be Enterprising
6. Maintaining Excellent Quality, Operational and Financial Performance

The Report illustrates throughout how we have made excellent progress against the Strategic Priorities and we intend to further review these in the next financial year.

## Key Issues and Risks facing the Trust have been identified during the last year

The Risk Register, in addition to the Board Assurance Framework sets out a number of risks that in the event they are realised will impact on the delivery of high quality services thus affecting our strategic aims and objectives.

It is essential that we continue to focus on maintaining our high standard of quality care in times of financial pressure, pressure on the workforce in addition to the changing strategic landscape. A number of key risks were identified in year by the Board which are all reflected in the Board Assurance Framework as follows:

- ▶ Ensuring we deliver the transforming cancer care plan through delivery of our new clinical model
- ▶ Ensuring that we retain an appropriate, motivated and engaged workforce
- ▶ Ensure that we embed research and improvement based on research outcomes
- ▶ Ensure we develop our subsidiary companies to reinvest back in the NHS
- ▶ Ensure we maintain excellent quality, operational and financial performance
- ▶ Risk that we cannot continue to deliver Eye Proton therapy
- ▶ Potential risk that Covid-19 presents to service delivery.



## A Brief History and Statutory Background

The history of the Trust dates back to 1862 when Mr James Seaton Smythe, a prominent surgeon established the Liverpool Hospital for Cancer and Diseases of the Skin. Seven years later he bequeathed £10, 000 which became the first of many legacies which continue to support our work in caring for patients with cancer in addition to helping support pioneering research into the disease.

The Clatterbridge Cancer Centre became a Foundation Trust under the Health and Social Care (Community Health and Social Care) Act 2003 in 2006 and we are now one of the largest NHS specialist cancer treatment facilities in the UK.



### Going Concern

After making enquiries, the Directors have a reasonable expectation that The Clatterbridge Cancer Centre NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### Conclusion

In conclusion, 2019/2020 was an extremely busy year for the Trust ensuring we maintain high quality care at the same time finalise the preparations for the expansion into Liverpool with the imminent opening of our new hospital. I would like to say once again how proud I am of the staff for their hard work and achievements during the last year. I am also very grateful for the support of our team of volunteers in addition to the support from our Council of Governors.

***Performance Report signed by the Chief Executive in the capacity as accounting officer***

A handwritten signature in black ink, appearing to read 'Liz Bishop'.

**Dr Liz Bishop**  
**Chief Executive**

Date: 16 July 2020

## 2. Accountability Report

### Directors' Report

The Trust Board is a unitary board accountable for setting not only the Trust's strategic direction but also the vision and values in addition to monitoring performance. The Board of Directors has overall responsibility for defining the Trust's strategy, strategic priorities, vision and values in addition to the overall management and performance of the Trust. Matters that are reserved for the Board to decide are set out in the Trust's Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation.

The Board is led by the Chair and comprises five additional Non-Executive Directors who are all independent; the test o in addition to six Executive Directors, five of whom have full voting rights.

#### ***Kathy Doran – Chair (from 1 April 2019 – First Term of office)***

Kathy joined the Trust as Chair in April 2019 and brings over 40 years public sector experience at national, local and regional levels. Kathy has a significant amount of leadership and Board experience having been a successful Chief Executive and Chair in addition to having an in-depth understanding of the NHS and system working.



#### ***Alison Hastings Non-Executive Director, Vice Chair & Senior Independent Director (Commenced 31 December 2012 – in final term)***

Alison trained as a journalist in 1983 and was Head of Training and Staff Development for Thomson Newspapers before becoming Editor of the Evening Chronicle in Newcastle in 1996.

Alison is the Vice President of the British Board of Film Classification, a Board member of Durham University, an advisory Board member at Pagefield Communications, a Commissioner of the Gambling Commission, a specialist partner at Alder Media and a Non-Executive Director at the media company Archant.

#### ***Mark Tattersall – Non-Executive Director (First Term of office, 3 years until December 2021)***

Mark commenced as a Non-Executive Director on 1 December 2018 and brings with him significant Board level experience as both an Executive and Non-Executive Director across the NHS, private and public sectors.





***Geoff Broadhead – Associate Non-Executive Director from 1 December 2018-30 June 2020; Non-Executive Director from 1 July 2019 for first term***

Geoff commenced as an Associate Non-Executive Director in December 2018 before becoming a Non-Executive Director on 1 July 2019. Geoff has over 30 years' experience in senior financial roles within the public and private sectors with over 20 years at Executive Board level.

Geoff has a strong corporate services background having managed finance, IT, HR and facilities services at Board level. He has a strong change management and systems implementation experience.



***Terrance Jones – Non-Executive Director (First Term of Office from 23 September 2019)***

Terry Jones brings a wealth of clinical experience to the Board and is currently the Professor of Head and Neck Surgery at the University of Liverpool. In addition to his core clinical and academic roles, Terry has served as Cancer Lead for the Clinical Research Network North West Coast leading the recruitment of cancer patients into clinical trials.

***David Elkan Abrahamson – Non-Executive Director (First Term of Office from 1 September 2019)***

Elkan qualified as a Solicitor in 1983 working in Hong Kong and latterly in the United Kingdom specialising in child care law and prisoner's rights. Elkan has significant Board level experience in the private sector and is a Trustee of the Bloom Appeal, a local Charity founded to help patients with blood cancers.



***Mark Baker – Non-Executive Director until 31 October 2019***

Mark joined the Trust in November 2016. A clinician by background he produced, in conjunction with Roger Cannon, the Baker Cannon Report into the provision of cancer services in Merseyside and Cheshire with one of the recommendations being our new cancer hospital in Liverpool.

***David Teale – Non-Executive Director until 31 January 2020***

David joined the Trust in February 2017 with significant experience of transformational change having worked at Board level with the Manchester Airports Group.



***Dr Liz Bishop – Chief Executive (From November 2018)***

Liz joined the Trust as Chief Executive in November 2018 and has significant experience with in the NHS. Liz completed her BSc in Nursing in Scotland in 1986 and her MSc and Doctorate at Surrey University in 2004 and 2009 respectively. She has worked in a number of clinical setting form surgery to haemato-oncology in several acute London Trusts. Liz was latterly at The Royal Marsden from January 2010 where she was appointed Deputy Chief Executive in July 2016.

***Sheena Khanduri – Medical Director (From December 2017)***

Sheena trained in Clinical Oncology at West Midland and Yorkshire Deaneries and was appointed Consultant at Shrewsbury and Telford Hospitals NHS Trust in 2007. During that time, Sheena worked as Radiotherapy then Departmental Lead and served on the Heads of Service Committee for the Royal College of Radiologists (RCR). In 2016, Sheena was appointed as Lead Clinician for Cancer Services and became Medical Director at The Clatterbridge Cancer Centre in December 2017. Sheena has a post graduate qualification in strategic leadership from the University of Warwick and completed the Senior Clinical Leadership Programme, Kings fund in 2019. Sheena is also the Responsible Office, Caldicott guardian and Executive Lead for Research.



***Sheila Lloyd – Director of Nursing and Quality (from April 2018)***

Sheila joined the Trust in April 2018 following two previous roles as Executive Director of Nursing at NHS Trusts.

Sheila has been in the NHS for over 30 years and has substantial clinical and nursing leadership experience. Sheila's role within the Trust includes corporate responsibility for the delivery of quality, safe and effective patient care and experience and is the designated Director of Infection Prevention and Control and Safeguarding.

Sheila is the Executive lead for the Care Quality Commission.

***Jayne Shaw – Director of Workforce and OD (From December 2018)***

Jayne joined the Trust on 10 December 2018, having previously held Executive Director roles in Workforce and OD within the NHS for the last 15 years.

Jayne has experience of working in a range of NHS organisations including specialist mental health and acute services and has significant experience of successful workforce development and organisational change to improve patient care and staff performance.



***James Thomson – Director of Finance (from February 2019)***

James joined the Trust on 1 February 2019 having held a previous role as Deputy Director of Finance at The Christie NHS Foundation Trust. Prior to this he held a number of senior finance positions within the healthcare sector.

James has a strong background in financial delivery, commercial development and is committed to supporting excellent patient care through sustainable financial planning and decision making.

James is also the Executive Director Trust representative for our subsidiary companies.

***Joan Spencer – Interim Director of Operations (from April 2019)***

Joan joined the Trust as a General Manager for Chemotherapy services in July 2014 and has a passion for delivering high quality cancer services within the NHS. Joan completed her nurse training at the Royal Liverpool Hospital in 1999, has a BsC Hons in Health Studies and is currently on track to complete and MSc in Leadership and Management at Edgehill University in December 2020. Joan has extensive experience of working within the NHS in a variety of clinical and managerial roles.





### ***Sarah Barr- Chief Information Officer***

Sarah joined the Trust as Chief Information Officer in August 2017 and joined the Board as a non-voting member in November 2019. Sarah completed her BA (Hons) in Public Management in 1995 at the University of Teesside and holds a PGDip in Health Informatics gained at University of Central Lancashire (UCLAN) in 2007. Sarah achieved an Executive Leadership Healthcare award through the 'Nye Bevan' programme in 2019. Sarah has worked in Digital and Informatics roles within the NHS over the last 24 years. She has held several Digital leadership positions within the NHS in England and more recently, across Cheshire and Merseyside. She has experience of working in organisations that span the health economy successfully delivering patient focused digital improvements over large geographic footprints contributing to making a difference to health outcomes for patients. Sarah was previously Deputy Director of Informatics at MerseyCare NHS Foundation Trust.



### ***Barney Schofield – Director of Operations and Transformation***

Barney is currently on secondment from the Trust until 28 April 2020.

## Arrangements in place to ensure the Trust is well-led

There is a clear division of responsibility between the Chair and the Chief Executive. The Chair ensures that the Trust has a Strategy which delivers and meets the needs of the population we serve.

The Nomination and Remuneration committee carried out an in-year review of the composition of the Board during the recent process for appointing new Non-Executive Directors in the context of assessing the skills and knowledge gaps required at Board level. The composition of the Board is such that there is a wide range of individuals with senior level experience across a spectrum of clinical, public, private and legal sectors.

Taking the above into consideration, the Board is satisfied it can function effectively.

### Independence of the Board

The Non-Executive Directors at the Trust bring robust, independent oversight to the Board. In accordance with the NHS Code of Governance (code provision B1.1), the Board has determined that the current Chair and Non-Executive Directors are independent and can objectively challenge management and hold to account.

### Declarations of Interest and Register of Gifts and Hospitality

The Trust has reviewed and re-drafted its Conflicts of Interest Policy during the last year to ensure it aligns with the national template policy. The required declarations were declared by all Board members and the full registers can be accessed on the Trust internet at <https://www.clatterbridge.nhs.uk/about-centre/corporate-maters/public-documents/register-of-interests>.

# Meetings of the Board of Directors and associated committees

## Board of Directors

The Board of Directors met monthly during the last year with the exception of August and December 2019. The Board meets in public with the exception of when the Board has had to deal with confidential matters and on these occasions the Board has been held in private session.

## Audit Committee

The Audit Committee is a formally constituted Committee of the Board and comprises three Non-Executive Directors. It is chaired by a Non-Executive Director who has significant relevant financial experience.

The Audit Committee provides the Board with an independent and objective review of the effectiveness of the system of internal control (both financial and non-financial). It is authorised by the Board to investigate any activity within its Terms of Reference which were re-drafted and approved during the last financial year.

The Audit Committee met five times last year and meetings are attended by the Trust's Internal and External Auditors in addition to the Director of Finance, Director of Nursing and Quality and the Associate Director of Corporate Governance. The Audit Committee is attended by senior member of the Trust on an exception basis in circumstances when the Committee requires additional information or assurance.

The Audit Committee is responsible for making a recommendation to the Council of Governors in respect of the appointment or removal of the Trust's External Auditors. The Trust carried out a competitive tender exercise on two separate occasions but failed to secure bids on both occasions. Following discussions which involved representatives from NHS Improvement, the Council of Governors approved the continued appointment of Grant Thornton for an addition two years, with a one year break clause; the value of the contract being £122K. This does not include non-audit services.

The Audit Committee considered the following key matters during the last financial year:

- Reviewed the ongoing development of the Board Assurance Framework and will continue to do so
- Reviewed the annual financial statements and recommended approval of the Annual Report and Accounts to the Board of Directors
- Reviewed and approved the internal audit plan for 2019/2020
- Reviewed the findings from individual reviews carried out by MIAA relating to complaints management, cyber essentials, assurance framework, consultant job planning, ESR/HR review, review of financial systems, business unit governance review, data protection and security toolkit review, medical appraisal and revalidation, serious incidents, fit and proper person requirements and transforming cancer care programme management office review.
- Monitored responses by management to the recommendations made by internal audit through the associated reviews
- Reviewed and acknowledge work in progress in relation to the audit tracker
- Reviewed the Head of Internal Opinion and Annual Report
- Reviewed progress against the Anti-Fraud annual plan
- Approved the process for appointment of external auditors
- Received assurance on the process within the Trust relating to Freedom to Speak Up
- Received a position statement on the development of the processes relating to the management of litigation and inquests as this function transferred to the Corporate Governance Team in October 2019.

## Quality Committee

The Quality Committee, chaired by a Non-Executive Director supports the Board in obtaining assurance that high standards of care and governance are provided by the Trust and, in particular that adequate and appropriate controls are in place. During the last financial year, the Quality Committee reviewed and approved revised Terms of Reference.

During the last financial year, the Quality Committee considered and provided oversight in relation to the following:

- Progress against the Patient and Public Involvement and Engagement Strategy and End of Life Strategy.
- Progress against the Care Quality Commission Report action plan.
- Reviewed regular reports relating to safeguarding, infection prevention and control and serious incidents.
- Reviewed the key risks relevant to the Quality Committee

## Performance Committee

The Performance Committee has reviewed and agreed revised Terms of Reference and has been established to provide the Board with in-year assurance in relation to the operational and financial performance of the Trust. The Performance Committee is chaired by a Non-Executive Director and considered the following matters during the last financial year:

- Overall operational and financial performance
- Financial performance relating to the Transforming Cancer Care programme
- Reviewed the performance of our subsidiary companies and joint venture
- Reviewed and approved the Trust's financial planning
- Requested and subsequently reviewed deep dive reviews relating to radiology reporting and the availability of radiopharmaceuticals.

## Attendance by members of the Board at Committees

The following table indicates the number of meetings attended by the relevant Board member during the reporting period and their period in post.

Board Member	Trust Board (Part 1)	Trust Board (Part 2)	Audit Committee	Quality Committee	Performance Committee
Kathy Doran	10/10	10/10			
Alison Hastings	7/10	7/10	4/5		
Mark Tattersall	10/10	10/10	5/5		9/9
Geoff Broadhead	2/3	2/3	1/1	2/2	
Associate NED	6/7	6/7	3/4	2/5	3/4
Non-Executive Director					
Terry Jones	4/5	5/5		5/5	
David Elkan Abrahamson	3/4	3/4			2/2
Mark Baker	4/5	4/5		5/6	
David Teale	7/8	7/8		6/8	6/7
Liz Bishop	10/10	10/10	1/1	8/10	7/9
James Thomson	10/10	10/10	5/5		9/9
Joan Spencer	10/10	10/10		8/10	8/9
Sheila Lloyd	9/10	8/10	4/5	10/10	1/9
Sheena Khanduri	10/10	10/10		8/10	3/9
Jayne Shaw	10/10	10/10		7/10	6/9



## Governors Report

The Council of Governors has a number of statutory responsibilities that are set out within the Trust's Constitution in addition to advising the Trust on how best to meet the needs of patients and the wider community. The Trust keeps the Council of Governors fully informed on all aspects of the Trust's performance through formal council meetings in addition to informal briefings.

During the last financial year, the Council of Governors nominated a new Lead Governor, Jane Wilkinson who has regular one to one meetings with the Chair and the Chief Executive.

Council of Governor Elections took place between May and July 2019 and the results were declared in September 2019. All elections were held in accordance with the election rules as illustrated in our Constitution and we had a very successful outcome which has strengthened our Governing body although we still carry one vacancy which we hope to fill in the forthcoming elections in the next financial year.

### Composition of the Council of Governors and attendance

As at 31 March 2020, there were 28 seats on the Council of Governors and following a successful year of elections, we were carrying only two vacancies. The following table illustrates the full composition of our Council of Governors:

## Council of Governors

Elected Governors (Public)	Constituency	Appointed	Attendance at Council of Governors (Potential/Actual)
Patricia Higgins	Cheshire West and Chester	2019	2/2
Brian Blundell	Cheshire West and Chester	2018	1/3
Keith Lewis	Liverpool	2019	2/2
Jackie McCreaney	Liverpool	2019	2/2
Anne Marie Olsson	Sefton	2019	1/2
Carla Thomas	Sefton	2015	0/3
Stephen Sanderson	St Helens & Knowsley	2013	2/3
Patricia Gillis	St Helens & Knowsley	2019	1/2
Trish Marren	Warrington and Halton	2017	2/3
Glenys Crisp	Warrington and Halton	2019	2/2
John Field	Wirral and the rest of England	2014	1/3
Christine Littler	Wirral and the rest of England	2018	2/3
Andrew Waller	Wirral and the rest of England	2018	2/3
Jane Wilkinson	Wales	2015	2/3

Elected Governors (Staff)	Constituency	Appointed	Attendance at Council of Governors (Potential/Actual)
Amit Patel	Doctor	Left December 2019	1/2
Deborah Spearing	Non Clinical	2017	1/3
Laura Brown	Nurse	2018	2/3
Myfanwy Borland	Other clinical	2019	1/2
Samantha Wilde	Radiographer	2018	13
Burhan Zavery	Volunteers, Service Providers, Contracted Staff	2015	1/3

Nominated Governors	Organisation	Attendance at Council of Governors (Potential/Actual)
Shaun Jackson	Aintree University Hospitals NHS FT	1/3
Andrew Bibby	NHS England	0/3
Julie McManus	Metropolitan Borough of Wirral	0/2
Ray Murphy	Cancer Steering Group	3/3
Sonia Holdsworth	Macmillan Cancer Support	1/3
Andrea Chambers	MCH Psychological Services (formally Manx Cancer Help)	2/3
Andrew Pettit	The University of Liverpool	0/3

We were saddened to learn that one of our Governors, Brian Bawden died in May 2019. Brian was a Public Governor and was an active member of the Council of Governors as well as our Governor sub-committees and his valued input will be missed.

## Strengthening the links between the Governors and the Board

The Board has continued to develop the strong working relationship with the Governors by working collaboratively in an open and transparent way.

The Council of Governors has two sub-committees namely the Patient Experience Committee and the Membership and Communication Committee. Both Executives and Non-Executive Directors attend these meetings and we will focus on developing and strengthening these committees in the next year. In addition, during the last year, we have instigated a number of joint Governor, Non-Executive Director and Executive Director walk-rounds which have been put on hold as a direct result of our response to Covid-19.

## Membership

The Trust is accountable to the population it serves and members of the public can be Members of the Trust. Membership is open to any individual over the age of 16 years who are entitled to be a member of one of the public or staff constituencies. In recognition of the importance of broad engagement, the Trust has reviewed and developed a revised Membership Strategy which will champion and promote public engagement.

The following illustrates our current membership portfolio:

Public:	
Cheshire West & Chester	436
Liverpool	1158
Sefton	1023
St Helens & Knowsley	569
Wales	190
Warrington & Halton	404
Wirral & rest of England	1248
Staff:	
Non Clinical	497
Other Clinical	274
Doctor	67
Nurses	320
Radiographers	179
Non Staff (Incl.Volunteers)	187

# Remuneration Report

The following Remuneration Report illustrates the appointments and payments made to the Trust Executive and Non-Executive Directors during the last financial year.

The Board of Directors Nomination and Remuneration Committee are chaired by the Chair of the Trust and membership comprises Non-Executive Directors. The role of the Committee is described in the Terms of Reference and the Committee met to approve the policy relating to the provision of pension allowance.

## Board of Directors' Nomination and Remuneration Committee Membership and Attendance

Name	Attendance (actual/possible)
Kathy Doran, Chair	4/4
Mark Tattersall	4/4
Geoff Broadhead	4/4
Alison Hastings	4/4
Elkan Abrahamson	3/4
Terry Jones	3/4
Mark Baker	1/1
David Teale	1/1

## Remuneration Report

Salary and Allowances (subject to audit)

Name and Title	2019/2020						2018/2019					
	Salary and Fees (bands of £5,000)	Taxable and Fees (bands of £100)	Annual Performance Bonus (bands of £5,000)	Long term Performance Bonus (bands of £5,000)	Increase in Pension Related Benefits (bands of 2,500)	Total (bands of 2,500)	Salary and Fees (bands of £5,000)	Taxable and Fees (bands of £100)	Annual Performance Bonus (bands of £5,000)	Long term Performance Bonus (bands of £5,000)	Increase in Pension Related Benefits (bands of 2,500)	Total (bands of 2,500)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Executive Directors</b>												
A Cannell - Chief Executive ( 2018/19)							30-35				0	30-35
Y Bottomley - Director of Finance / Deputy Chief Executive ( 2018/19)							20-25				46-47.5	70-75
E Bishop - Chief Executive	160-165	4			Nil	160-165	55-60				15-17.5	70-75
J Thomson - Director of Finance	115-120	1			60-62.5	175-180	15-20				40-42.5	60-65
S Lloyd - Director of Nursing & Quality	110-115	1			7.5-10	120-125	110-115				47.5-50	155-160
B Schofield - Director of Transformation & Innovation*							115-120				57.5-60	175-180
S Khanduri- Medical Director **	175-180	3			32.5-35	210-215	170-175				15-17.5	185-190
A Farrar - Interim Chief Executive (2018/19)							165-170				0	165-170
J Andrews - Acting Director of Finance (2018/19)							95-100				122.5-125	205-210
J Spencer - Interim Director of Operations	105-110				142.5-145	250-255						
<b>Non Executive Directors</b>												
A Hastings - Interim Chair (2018/19)							20-25					20-25
P Edgington - Interim Chair (2018/19)							30-35					30-35
K Doran - Chair	40-45					40-45						
A Hastings - Non Executive Director	15-20					15-20						
G Black - Non Executive Director							10-15					10-15
D Teale - Non Executive Director							10-15					10-15
M Baker - Non Executive Director							10-15					10-15
D Francis - Non Executive Director							10-15					10-15
M Tattersall - Non Executive Director	15-20					15-20	5-10					5-10
10D Abrahamson - Non Executive Director (started 1-9-2019)	5-10					5-10						
G Broadhead - Non Executive Director	10-15					10-15						
T Jones - Non Executive Director (started 23-09-2019)	5-10					5-10						

### Banded remuneration of the highest paid director and the ratio between this and the median remuneration of the Trusts staff

Band of the Highest Paid Directors Total						175-180						
Median Total Remuneration						29,608						
Ratio						6.08						

\* B Schofield was on secondment to the Northern Care Alliance NHS Group in 2019/20 and his figures will be disclosed in their remuneration report

\*\* The medical director salary includes £81k that relates to their clinical role within the Trust.

\*\*\* D Abrahamson full year salary would be £12,879.78

\*\*\*\* T Jones full year salary would be £12,879.78

The Trust are required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the Trust's workforce. In the financial year 2019/20 the highest paid director was in the banding £175k-£180k. This was 6.08 times the median remuneration of the workforce.

The aggregate amount of remuneration and other benefits received by Directors during the financial year was £894,043 (2018/19 £935,957). There is no performance related pay or bonuses paid to Directors.

Employer contributions to a pension scheme in respect of Directors was £104,361 (2018/19 £80,899).

Expenses	2019-20 £00s	2018-19 £00s
Total number of directors in office	12	18
Number of Directors receiving expenses	6	9
Aggregate sum of expenses paid to directors	10	155

- 1) All Board members are appointed by the Board on permanent contracts.
- 2) All non Executive Board members are appointed by the Council of Governors for an initial period of 3 years which is renewable subject to satisfactory performance.
- 3) The following changes have occurred to the Board members with voting rights since 1st April 2019:
  - a) Joan Spencer joined the Board as Interim Director of Operations from April 2019
  - b) Kathleen Doran joined the Board as Chair from April 2019
  - c) David Abrahamson joined the Board as a Non-Executive Director in September 2019 with voting rights
  - d) Professor Terry Jones joined the Board as a Non-Executive Director in September 2019 with voting rights

### Off-payroll engagements

**For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months**

Number of existing engagements as of 31 March 2019, of which ...	0
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four years or more at time of reporting	0

**For all new off-payroll engagements, or those that reached six months in duration, between 1 April and 31 March 2020, for more than £245 per day and that last for longer than six months**

Number of new engagements, or those that reached six months in duration between 1 April 2018 and 31 March 2019.	0
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and national insurance obligations	0
Number for whom assurance has been requested and received.	0
Number for whom assurance has been requested but not received	0
Number that have been terminated as a result of assurance not being received.	0



## Staff exit packages

Exit package cost band	Number of compulsory redundancies Number	Cost of compulsory redundancies £000s
£0 - £50,000	0	0
£50,000 - £100,000	0	0
Total	0	0

## Pension entitlements

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2020 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2020 £000	Cash Equivalent Transfer Value at 1 April 2019 £000	Real increase in Cash Equivalent Transfer Value at 31 March 2020 £000	Employer's contribution to stakeholder pension £000
E Bishop - Chief Executive	0-2.5	Nil	60-65	155-160	1,324	1,260	10	0
J Thomson - Director of Finance	2.5-5	2.5-5	30-35	60-65	464	397	41	0
S Lloyd - Director of Nursing & Quality	0-2.5	Nil	45-50	105-110	869	820	14	0
S Khanduri- Medical Director	0-2.5	0-2.5	30-35	65-70	532	479	27	0
J Spencer - Interim Director of Operations	5-7.5	15-17.5	45-50	110-115	877	712	133	0

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

### 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 (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 no.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

### Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include 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 the

## Remuneration Committee and Terms of Service

The Remuneration Committee is made up of the Chairman and Non-Executive Directors only. Acting in accordance with Department of Health Guidelines, the committee determines the remuneration of Senior Managers and Executive Directors. The Chief Executive of the Trust joins the Committee when the remuneration of other Executive Directors is being reviewed.

The Chief Executive and Executive Directors are employed under permanent contracts of employment and they have been recruited under national advertisements. The employment of Senior Managers and Executive Directors may be terminated with six months notice as a result of a disciplinary process, if the Trust is dissolved as a statutory body, or if they choose to resign. None have contracts of service, and none has a contract that is subject to any performance conditions. The position of Chair and Non- Executive Directors are recruited through national advertisements. Appointments are made on fixed term contracts (normally for three years), which can be renewed on expiry. Terms of appointment and remuneration for Non-Executive Directors are set by the Council of Governors.

Details of the remaining terms of the Chair and Non-Executive Directors are as follows:

Name	First Appointed	To	Extended To
Kathleen Doran	01.04.2019	31.03.2022	
David Abrahamson	01/09/2019	31.10.2022	
Alison Hastings	01.01.2012	31.12.2014	
Geoff Broadhead	01.07.2019	30.06.2022	
Terence Jones	23.09.2019	22.09.2022	31.12.2020
Mark Tattersall	01.12.2018	30.11.2021	

The Remuneration Committee will be responsible for agreeing remuneration and terms of employment for the Chief Executive and other Directors in accordance with:

- 1) Legal requirements
- 2) The principles of probity
- 3) Good people management practice
- 4) Proper corporate governance

Signed 

Chief Executive

Date 16 JULY 2020

## Staff Report

The staff and volunteers at The Clatterbridge Cancer Centre are key to our success and continued delivery of outstanding care.

The following table illustrates our staff numbers by employee definitions analysis by 'permanent' and 'other'.

Staff Groups	Permanent Contract (Average FTE)	Other Contract (Average FTE)	Average FTE 2019/2020
Additional Professional Scientific & Technical	67	4	71
Additional Clinical Services	144	8	152
Administration & Clerical	397	41	438
Allied Health Professionals	180	11	191
Healthcare Scientists	35	0	35
Medical and Dental	59	9	68
Nursing, Midwifery & Health Visiting	296	5	301
Total	1178	78	1256

Of Agency and Contract staff, the Trust had 132 Nursing and Midwifery and 59 Additional Clinical Services with NHS Professionals.

### Gender Breakdown – Directors as at 31 March 2020

Directors	Count of Assignment Number	Headcount
Female	7	7
Male	5	5
Total	12	12

## Gender Breakdown – Employees as at 31 March 2020

Gender	Count of Assignment Number	% of Workforce	Sum of FTE
Female	1103	82	955
Male	244	18	225
Total	1,347	100%	1,180

## Sickness Absence

The Workforce and Organisational Development Team work closely with line managers to support staff in maintaining their health and well-being and managing any sickness absences appropriately. The sickness absence rates for 2019/2020 are as follows:

Yearly Quarter	2019/2020
Q1 (April – June)	3.76%
Q2 (July-September)	4.08%
Q3 (October – December)	4.69%
Q4 (January – March)	5.10%
Total for the Year	4.42%

4% and particular focus over the last 12 months has been on reducing staff absence for stress related reasons whether on a work or personal basis.

## Workforce Strategy

The Trust's Workforce Strategy sets out The Clatterbridge Cancer Centres vision for its workforce. Defining the Trusts workforce priorities as:

- Developing a representative workforce which delivers excellence in cancer care and puts the patient at the centre of everything we do,
- Embedding our values and improving levels of staff engagement, create positive staff experiences and improve involvement in local decision making.
- Supporting our staff to deliver compassionate, safe and effective cancer care.
- Helping our staff to keep healthy, maximising wellbeing and prioritising absence management.
- Educating and equipping our staff with the necessary knowledge and skills to do their job.
- Becoming an employer of choice with appropriate pay and reward strategies.

Throughout the strategy there is a focus on retention as a priority to retain and develop a highly skilled and flexible workforce to meet the needs of our patients.

## Engaging our staff

Our Organisational Development Strategy recognises that our ‘successes, and its current strengths, are down to its outstanding people’ we know that engaged and well-motivated staff are key to delivering high-quality care to patients.

Our OD Strategy is designed to support our people to focus on improvement and excellence in everything they do and it demonstrates the significant investment the Trust wishes to make in developing our outstanding staff.

We have worked to develop established mechanisms to encourage staff engagement and involvement. These include; Schwartz Rounds; a forum for staff from all backgrounds and levels to come together once a month to explore the psychological impact of their job role. Staff open meetings Led by the Chief Executive and members of the Leadership Team, regular staff open meetings were introduced in 2019/20 to enable two-way communication with staff about key strategic issues facing the Trust. These meetings allow the Leadership Team to share updates and actions around Trust performance and encourage engagement in how this could be further improved. During 2019/2020 the staff open sessions were used to share with staff our vision for the future and plans for the opening of Clatterbridge Cancer Centre- Liverpool.

There are also regular communications to staff via weekly e-bulletins and monthly team briefs and recently introduced Chief Executive video messages, in order to ensure staff are kept informed and involved in new developments.

## Human Resources (HR) Policies and Procedures

The Trust continues to regularly review all its policies and procedures in partnership with staff side colleagues with the aim of ensuring they remain effective, meet the needs to the Trust and are beneficial for staff and the organisation.

Over the past twelve months the Trust has focused on reviewing its policies to ensure these remain fit for purpose and meet the needs of our staff as we open our new hospital in Liverpool. We have also introduced new policies such as the Agile Working Policy to support staff to work differently and more effectively to support our clinical model.

The Trust has committed to being a Disability Confident Committed Employer under the government scheme which aims to ensure that our recruitment process is inclusive and accessible and that we support disabled people in being able to work with suitable adjustments. The Trust’s policies such as the Recruitment and Selection Policy, Attendance Management Policy and Procedure and Equality, Diversity and Human Rights Policy support our approach to equal treatment of all staff.

## Health and Wellbeing

The Trust has continued to build on, and enhance, the health and wellbeing offer; to support staff to feel good, be healthy and live well. In the last year we have reviewed our health and wellbeing offer to staff and increased awareness of the support available.

## Occupational Health and Wellbeing

During 2019/20 the Trust tendered for the provision of Occupational Health and wellbeing services (OH). Coinciding with the development and expansion of patient services we recognised the need to expand the provision of our occupational health services to meet the needs of our multi-site workforce and their health and wellbeing needs. Liverpool University Hospitals NHS Trust was successful in their bid to provide OH services to the Trust and commenced provision on 1st April 2020.



This is a comprehensive service covering pre-employment screenings, employment health assessments and the management of sharps and contamination incidents. The OH service also works closely with other teams within the Trust, including, infection prevention and control, and risk management. Working alongside the Workforce & OD Department, the OH service enables managers to obtain support and information to manage both short-and long-term sickness absences.

The OH service remains an important resource for all staff to help them maintain their health and wellbeing at work. We will continue to develop the service in line with the Trust's health and wellbeing plans and aspirations for the future.

The Trust also has in place an Employee Assistance Programme (EAP) offering differing levels of support to employees, via a telephone helpline twenty four hours a day. The EAP supports staff to understand the pressures they face personally and improving the awareness of their own mental health. Formal one-to-one counselling and specialist support services continue to be available to all staff through a service level agreement with Cheshire and Wirral Partnership NHS Trust.

## Working in Partnership

The Trust has an active and engaged body of local Trade Union representatives. Partnership working is well embedded within The Clatterbridge Cancer Centre and is underpinned with a Partnership and Recognition Agreement.

Our management, staff and trade union organisations within the Trust work together to achieve a shared vision, common understanding and joint communication to best meet the needs of the service and provide the best possible patient care through effective joint working.

We are committed to the Trusts Partnership forum arrangements which provide a two-way channel of communication and involvement between staff and members of the Trust Board. The Partnership forum receives and considers strategic matters relating to performance, developments in service provision and matters of organisational change. It forms the platform for collective bargaining and negotiation of local agreements, employment policies and general terms and conditions of employment. This group and its supporting forums enable the Trust to consult with its employees and their representatives to ensure appropriate involvement in changes across the organisation.

We are committed to providing a workplace that is free from bullying and harassment in all its forms and will take the steps which are needed in partnership with our Trade Union colleagues to achieve this.

## Trade Union Facility Time

The Trust has an active and engaged body of local Trade Union representatives. Partnership working is well The data provided within the following tables 1 to 4 cover the time period 1st April 2018 to 31st March 2019 as per statutory regulations. Updated reporting covering the period 1st April 2019 to 31st March 2020 will be published on the Trusts website by 30th September 2020. This deadline had been extended by the government from 31st July 2020 due to the current pressures faced by Covid-19.

## Relevant Union Officials

The Trust has an active and engaged body of local Trade Union representatives. Partnership working is well The data provided within the following tables 1 to 4 cover the time period 1st April 2018 to 31st March 2019 as per statutory regulations. Updated reporting covering the period 1st April 2019 to 31st March 2020 will be published on the Trusts website by 30th September 2020. This deadline had been extended by the government from 31st July 2020 due to the current pressures faced by Covid-19.

## Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	0
1-50%	11
51-99%	0
100%	0

## Percentage of Pay Bill Spent on Facility Time

	Figures
Total Cost of Facility Time	£32,937
Total Pay Bill	£57,142,107
Percentage of the total pay bill spent on facility time	0.06%
Calculated as total cost of facility time /total pay bill x100	

## Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	19%
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# Equality, Diversity and Inclusion

The Clatterbridge Cancer Centre respects and values the diversity of its workforce, patients, relatives, carers, visitors and volunteers and we are committed to providing services and a working environment that are appropriate, accessible, fair and culturally sensitive. We aim to eliminate discrimination and encourage equality, diversity and inclusion (EDI) amongst our workforce and to foster an environment where each employee feels respected, valued and able to provide the best service possible.

The Trust has an equality and diversity policy, which sets out the framework through which it delivers its services and an EDI strategy that details how we will deliver on our EDI objectives over the next 3 years.

The Trust set its 2019/20 Equality, Diversity and Inclusion Objectives against the following areas:

- Improved patient access and experience
- Better health outcomes for all
- A represented and supported workforce
- Inclusive leadership at all levels
- Culture change and mainstreaming equality, diversity and inclusion.

During 2019/20, the Trust maintained and adhered to NHS Mandated Equality Standards and continued to demonstrate progress against indicators within Workforce Race Equality Standard and Workforce Disability Equality Standard. It also published its Gender Pay Gap report on time and is committed to undertaking further analysis of the data in order to identify opportunities for targeted areas for action with the aim of decreasing the gender pay gap.



## Highlights:

- This year The Clatterbridge Cancer Centre was one of the sponsors of the Royal College of Nursing's Black History Month Conference held in Preston on Wednesday 16 October 2019 which embraced the talents of the BAME workforce in health and social care across the North West. The Trust's Interim General Manager of Integrated Care, also received an award for Outstanding Contributions to Equality Diversity and Inclusion at the Conference.
- We ran a campaign to highlight the importance to staff of recording their personal information in terms of sex, race, religion & belief, sexual orientation, marriage and civil partnership status and disability on the Electronic Staff Recording (ESR) system. Better, more accurate information will help us to understand the needs of our staff and put actions into place to make any improvements needed, as well as making sure staff across the Trust are fairly represented.
- We launched our first Equality Diversity and inclusion (EDI) Workforce Group early 2020. The aim of the group is to improve services and support for employees who belong to vulnerable and protected groups. This group will provide assurance to the Workforce Education and Organisational Development Committee regarding all aspects of EDI relating to employees.

## Key workforce focus for 2020/21

- Work with minority organisation based in Liverpool that supports the diverse local population in which the Trust will be based from June 2020 following the opening of the new hospital in Liverpool.
- Explore opportunities for developing staff equality networks to enable a joined up and cohesive approach to different equality, diversity and inclusion initiatives that will help improve staff experience at work.

# 2019 Staff Survey Results

## Summary of Performance

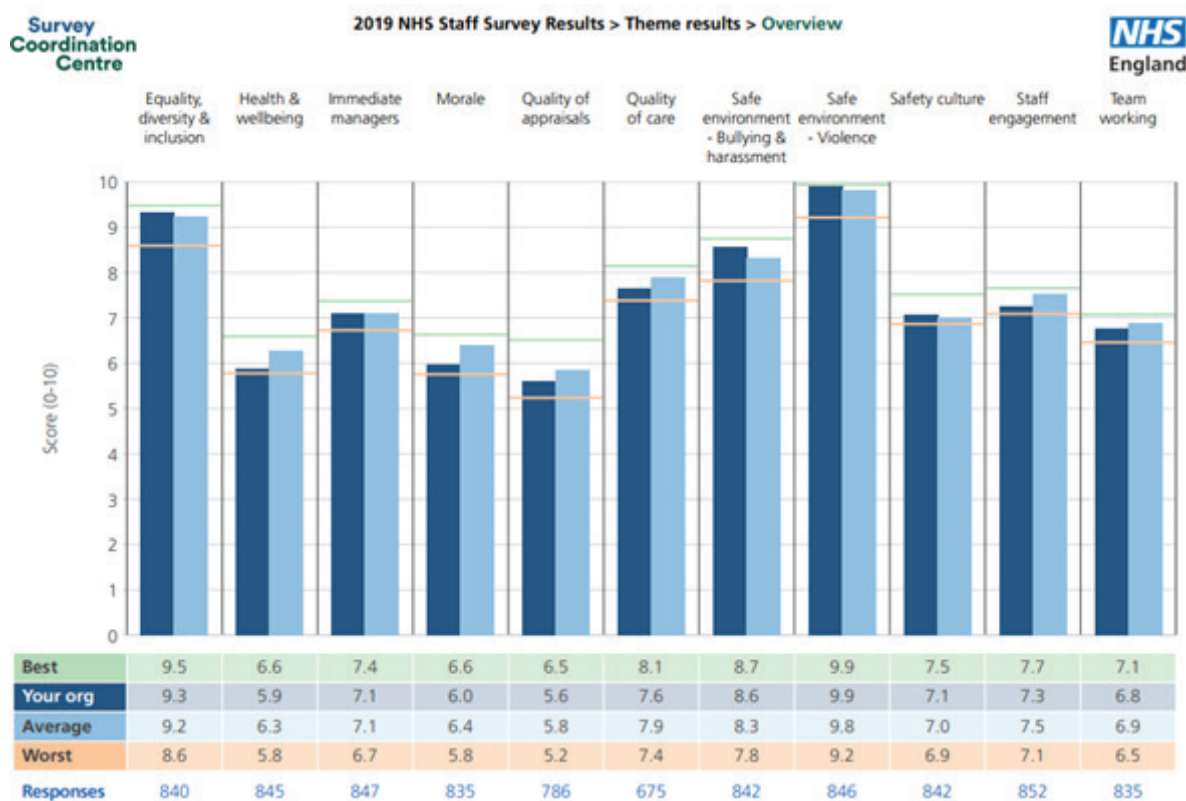
A total of 853 staff out of 1,285 completed the 2019 NHS Staff Survey which represents a response rate of 66%, a 4% increase from 2018 and the highest response rate seen by the Trust. Our response rate was significantly higher than the national response rate of 48% and higher than our survey provider, Quality Health's response rate of 55%. It was also higher than the median response rate of 58% for our national benchmarking group, Acute Specialist Trusts (14 organisations). The survey method for 2019 was all on line rather than a mixed method of distribution as previous years. Departmental Survey Champions supported the Trust to actively promote the survey within their departments during the survey window.

	2018 Survey	2019 Survey	Trust Improvement /Deterioration
Response Rate	Trust / National Average	Trust / National Average	4% Increase
	62%/46%	62%/46%	

## Survey Highlights

Overall our results are similar to our comparator group and there are no significant changes from the 2018 survey. The results of the survey are summarised in the form of 11 key themes (an increase from 10 in 2018) which are scored on a scale of 0 – 10, a higher theme score indicates a more positive result. Results and analysis are also provided at question level.

Overall, at theme level, our results show no significant change from the 2018 survey. The table below shows the Trust's performance against the eleven key themes, indicated by 'Your org' compared to the best, average and worst scores within the national sector (Acute Specialist Trusts).



## Overview of Theme Scores

The Table below shows our ranked theme scores with a comparison to the National Sector Scores and equivalent scores for 2018.

### Ranked Theme Scores

Theme	2018 Score	2019 Score	Sector Score 2019
Equality, diversity & inclusion	9.4	9.3	9.3
Health & wellbeing	6.0	5.9	5.9
Immediate managers	7.1	7.1	7.1
Morale	6.2	6.0	6.0
Quality of appraisals	5.5	5.6	5.6
Quality of care	7.8	7.6	7.6
Safe environment – Bullying & harassment	8.6	8.6	8.6
Safe environment – Violence	9.9	9.9	9.9
Safety culture	7.1	7.1	7.1
Staff engagement	7.3	7.3	7.3
Team working	6.9	6.8	6.8

Our highest performing themes are Safe environment – violence, Equality, diversity and inclusion and Safe environment – bullying and harassment. These theme scores as well as Safety culture are above the national sector average score. Our bottom performing themes are Quality of appraisals, Health and wellbeing and Morale although the national average sector scores are also low for these themes. In comparison to 2018, five of the themes have seen no change and five themes have seen a small decrease with morale and Quality of care seeing the biggest decrease of 0.2%. Quality of appraisals has seen an increase

Our overall staff engagement score is 7.3 out of 10; equivalent to last year and slightly lower than the national sector average score of 7.5. Staff engagement is measured across three sub sections Advocacy, Motivation and Involvement. At question level we have seen improvements in scores in the three questions relating to motivation compared to last year however we have seen declining scores relating to advocacy,

The survey results indicate that

*64% of CCC staff would recommend CCC as a place to work*

*87% of staff agreed they would be happy with the standard of care provided by CCC*

*83% of staff agreed that the care of patients is the Trust's top priority*

*34% of staff agreed that they often think about leaving the organisation*



## Comparison of 2019 Survey Scores to 2018

There has been very little significant change at question level compared to the 2018 results.

### Improved Scores Compared to 2018

Question	2018	2019	Diff
I receive regular updates on patient / service user experience feedback in my directorate / department (e.g. via line managers or communications teams).	56%	61%	+5%
Were any training or development needs identified	66%	71%	+5%
Have you felt pressure from your manager to come to work	27%	23%	+4%
Feedback from patients / service users is used to make informed decisions within my directorate / department	53%	57%	+4%
On average, how many additional PAID hours do you work per week for this organisation, over and above your contracted hours?	29%	25%	-4%
Have you felt pressure from colleagues to come to work?	24%	20%	-4%

### Declined Scores Compared to 2018

Question	2018	2019	Diff
The last time you experienced physical violence at work; did you or a colleague report it?	72%	66%	-6%
I will probably look for another job at a new organization in the next 12 months	23%	27%	-4%
The last time you experienced harassment, bullying or abuse at work, did you or a colleague report it?	45%	42%	-3%
I would recommend my organisation as a place to work.	68%	64%	-4%
There are enough staff at this organisation for me to do my job properly.	40%	35%	-5%
I am able to make suggestions to improve the work of my team / department	80%	76%	-4%

Morale question scores are highest for staff saying that their immediate manager encourages them at work (74%) and staff saying that they receive the respect that they deserve from colleagues (72%). 56% of staff feel that they are involved in changes that affect their work and 55% say that they have a choice in deciding how they do their work.

A total of 23% of staff responded yes definitely to the organisation taking a positive action on health and wellbeing, a declining trend since the 2016 survey.

Scores around support from immediate managers are generally positive, three quarters of staff are satisfied with support that they get from their immediate manager and just less than three quarters are satisfied that their manager takes a positive interest in their health and wellbeing. The Trust scores are lower than the national sector average scores on all questions relating to senior managers however we have seen a slight improvement since last year on the effectiveness of senior management communication which has been an area of focus.

Eleven questions in the Leadership section show improvement and four have declined relating to the career development and development opportunities. We have seen significant improvement in staff agreeing that learning and development activities completed in the last 12 months have helped to improve chances of career progression.

Question scores relating to Health and Safety and Occupational Health show eight improvements and eight declines. One decline is staff agreeing that they have a clean workspace and this is a key theme from the comments report.

Patient experience scores are largely positive, with 12 improvements and three declines. The least positive is around staffing levels.

## Areas Highlighted for Improvement & Progress

Following the review of the 2018 survey and Staff FFT results the Trust took the decision to continue to focus on the areas below for improvement which have been areas of focus since the 2016 and 2017 surveys.

- ▶ Supporting staff to improve their mental health and wellbeing
- ▶ Reward and recognition
- ▶ Staff engagement and involvement in change
- ▶ Enhancing the quality of appraisals

and in addition improving management effectiveness.

A series of focus groups were conducted with staff across three sites throughout June to September 2019 to gain further feedback and building on the above the following three priority areas were identified for focus and action:

- ▶ Retention and recognition
- ▶ Review of uniforms
- ▶ Improving communications at all levels

The Trust has implemented a number of improvements in the key priority areas identified since the 2018 survey and in the response to intelligence gathered from staff during the focus groups, the Staff Engagement Steering Group and from other engagement events. The table below summarises progress made.

## Areas Highlighted for Improvement

## Progress to Date

### Improving the mental health and wellbeing of our staff

Health and wellbeing is a key element of the Workforce and Organisational Development strategies developed in 2018

Launched Health and Wellbeing Brand and developed a health and Wellbeing calendar to promote key awareness months/days

Developed and launched a health and wellbeing hub to support staff during the COVID-19 pandemic

Launched the Employee Assistance Programme and revised our Occupational Health provision

Implemented Resilience training programmes for leaders and staff

Timewise partnership commenced to support flexible working

Implementing Mental Health First Aid training programme to provide early interventions and offer support for staff who may be experiencing a mental health issues

A number of initiatives are on-going to help address issues relating to staff work load and staffing including:

- The Trust's workforce planning process which continuously identifies and reviews resourcing requirements and implementation plans to meet service needs
- Implementation of SafeCare system to support safe nursing staffing

### Staff engagement and involvement in change

Developed a Communication, Marketing and Engagement Strategy including implementation plan

Increased internal communications and introduced new communication channels including Clatterbridge 2020 open sessions and newsletter; News Now, Spotlight briefings; Managers Checklist

Staff consultation process implemented and My Personal Move Plans developed

Introduced regular Executive and Non-Executive Walkabouts

Held staff focus groups to hear what it's like working on ground and to gather feedback on areas of focus for improvement that are really important to our staff

Commenced review of nurses uniform – currently on hold awaiting release of a national directive on nursing uniforms from the Chief Nursing Officer for England

<p>The quality of appraisals including career development opportunities</p>	<p>Continued to focus on driving the Performance, Appraisal and Development Review (PADR) compliance across the Trust seeing improvements in Trust compliance rates and also improvements in staff survey scores relating to appraisals in 2019</p> <p>Enhancements made to the ePADR process for the 2020 window based on feedback from 2019 including functionality for ongoing reviews throughout the year</p> <p>Continuing to provide training for staff to enhance the quality of appraisal conversations</p> <p>Developed and launched the Nursing Career Pathway and Competency Framework to support enhancing career development</p>
<p>Reward, Recognition and Retention</p>	<p>Introduced #ThankyouThursdays to provide positive feedback to staff</p> <p>Introduced 'Thank you' post cards to recognise great work and to show appreciation of colleagues</p> <p>Increased the use of social media to celebrate staff involvement and achievements</p> <p>Held second party on the farm event</p> <p>Commenced NHSI retention programme</p> <p>Retention package implemented</p> <p>Travel engagement sessions held</p> <p>Streamlined internal staff transfer process</p> <p>Agile working policy and Flexible working toolkit developed</p>
<p>Management Effectiveness</p>	<p>Trust TNA completed following ePADR window 2019 to inform 2020 development programmes</p> <p>Leadership and OD offer developed</p> <p>OD diagnostic tool commissioned and being rolled out with teams</p> <p>Relaunched Coaching provision with CPD session planned</p> <p>Management essential training sessions implemented and Managers toolkit developed and launched on intranet</p> <p>Managers Skills Training Passport in development</p>

## Future Priorities

The Trust will continue to focus on the key areas identified above for improvement following the 2019 survey results and is currently reviewing and refreshing action plans to align to initiatives and drive real improvements throughout 2020/21. The 2019 results, both at Trust and departmental level have been shared with staff across the Trust and Departmental managers and Survey Champions are working on departmental survey action plans to bring about improvements. The progress of action plans will be monitored via Directorate Performance Reviews. Progress will also be reported and monitored to the Workforce, Education and OD Committee reporting up to the Quality Committee to Trust Board.

The Workforce and OD Implementation Plan for 2020/21 has been updated to ensure key priorities from the survey are included. Four additional questions have been added to the Staff Family and Family Test 2020/21 to act as a 'pulse check' for our improvement journeys. These questions focus on Health and Wellbeing, Morale and Staff Engagement. Feedback will be provided to staff via a quarterly 'You said...' 'We did..' campaign.

## Disclosures set out in the NHS Foundation Trust Code of Governance

The Clatterbridge Cancer Centre NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014 is based on the principles of the UK Corporate Governance Code issued in 2012.

The Trust has set out within the Annual Report how it complies with the Code of Governance.

## NHS Improvement Oversight Framework

### NHS 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

NHS Improvement has reviewed the Trust's performance and all information available to it and placed the Trust in Segment 1. This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

### Finance and Use of Resources

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



Area	Metric	2019-20 Scores				2018-19 Scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial Sustainability	Capital Service Capacity	2	2	2	3	1	2	1	1
	Liquidity	1	1	1	1	1	1	1	1
Financial Efficiency	I&E Margin	1	1	1	1	1	1	1	1
Financial Controls	Distance from Financial Plan	2	1	1	1	1	1	1	1
	Agency Spend	4	4	4	4	2	1	1	1
Overall Scoring		3	3	3	3	1	1	1	1

In 2019-20, although the Trust had an overall score of 3 through the year (driven by Agency Spend), it was assessed as low risk by NHSI and remained in Risk Segment 1.

***Accountability Report signed by the Chief Executive as Accountable Officer***



***Dr Liz Bishop  
Chief Executive  
16 July 2020***

# Statement of the Chief Executive's Responsibilities

## *Statement of the Chief Executive's Responsibilities as the Accounting Officer of The Clatterbridge Cancer Centre 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 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 The Clatterbridge Cancer Centre 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 The Clatterbridge Cancer Centre 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 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 Officer Memorandum.



**Dr Liz Bishop**  
**Chief Executive**

Date: 16 July 2020

# Annual Governance Statement

## Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS 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 Trust Accountable Officer Memorandum.

## The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Clatterbridge Cancer Centre NHS Foundation Trust, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Clatterbridge Cancer Centre NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

## Capacity to Handle Risk

### Leadership of the risk management process

As Accountable Officer, I have overall accountability for the risk management processes within the Trust. Senior leadership is delegated through the Executive Directors and operationally through Directorates, Departments and Committee structures. All Directorates and Departments have a role in ensuring risks are assessed and reviewed on a regular basis.

The Trust has developed a good, open culture relating to incident reporting (supported by an Incident Reporting Policy) and we continue to be in the top 25 % of reporters to the National Reporting and Learning System. We have further strengthened our incident management process with the introduction in July 2019 of a daily 'incident conference call' (attended by multi-disciplinary teams) whereby all incidents reported in the previous 24 hours are discussed.

During the last financial year, the revised Committee structure was embedded which included a review of the constitution of all Board committees with new approved Terms of Reference. The Board committees are chaired by a Non-Executive Director which enables and enhances independent scrutiny and challenge. This

has included a revised Chair's Report from the Board committees to the Board based on an 'Alert, Advise and Assure Metric' which provides an additional layer of assurance to the Board.

As part of the committee restructure, the Risk Management Committee was incorporated as a higher level committee chaired by the Chief Executive. This had the intended effect of providing challenge to the Trust's risk management processes. It highlighted the need to undertake a full review of the risk registers in addition to the utilization of the Datix system when recording and reviewing risks. The Board agreed, at the end of February 2020 to 'pause' the Risk Management Committee until July 2020 to enable the full review of the risk registers to be completed with the caveat that risks would continue to be reviewed at Directorate and Departmental level in conjunction with visibility at the relevant Board Committees. The aforementioned review incorporates the development of a Risk Appetite Statement which will articulate the level of risk the Board is willing or unwilling to accept in order to achieve its Strategic Objectives.

The Risk Management Strategy sets out the accountability and reporting arrangements, is in the process of being updated to reflect a clear systematic approach towards the management of risk in all aspects of Trust business including clinical, operational and financial.

### Equipping staff to manage risk

Managers at all levels of the Trust have a responsibility to manage risks relevant to their areas in addition to promoting a culture whereby proactive reporting identifies real and or perceived risks to patient care.

Each Directorate and Department maintains its own risk register and key risks are escalated to the Integrated Governance Committee and Quality Committee. Risk registers are reviewed at monthly Directorate/departmental safety meetings in addition to the relevant Board Committee on a monthly basis. As part of the action plan following the CQC Report in April 2019, an external company was engaged to provide formal risk management training to over 100 managers and staff. This has enabled staff to accurately describe, manage and escalate risks.

In addition, risk management training is mandatory for all staff, the level and frequency identified through training needs analysis which ensures that all staff are fully equipped to carry out their roles and responsibilities with regards risk management. All Executive Directors and the Senior Management Team have all received bespoke training on risk management.

## The Risk and Control Framework

### Risk Management Strategy

Risk management is supported by the Risk Management Strategy and key elements of this are to manage and control all identified risks including clinical, non-clinical and financial. The Trust achieves this through the established organisational framework which promotes early identification of risk, the co-ordination of risk management activity, the provision of a safe environment for patients and staff in addition to the effective use of financial resources. This ensures that staff are aware of their roles and responsibilities and outlines the structures and processes through which risk is assessed, controlled and managed.

We identify risk through a variety of sources including formal risk assessment, the assurance framework, daily incident reporting, audit data, complaints, litigation, patient and public feedback, mortality reviews, in addition to feedback from stakeholders/partnerships and from internal/external assessments.

A risk management matrix is used within the Trust to support a consistent approach to assessing and responding to risks. All risks are quantified based on the risk management standard ISO 31000:2009 which measures risk using a combination of consequences (which can also be described as severity or impact) and the likelihood (or probability) of an event occurring. The Trust uses the 5x5 risk matrix whereby the likelihood and consequence produce a score which enables the risk to be appropriately prioritised.

Learning from risk is integral to the organisation and the Trust takes all opportunities to learn from good practice as a result of audits in addition to learning from the outcome of root cause analysis investigations and complaint investigations. The Trust has developed a mechanism for triangulation of learning from incidents, complaints and litigation which will be further embedded during the next 12 months.

The monthly Learning from Incidents Review Group, Chaired by the Director of Nursing and Quality has been established to ensure detailed scrutiny of and identification of learning from not only incidents but complaints and litigation.

The revised governance structures introduced in February 2019 was embedded during 2019/2020 and we are currently undertaking an internal review of the effectiveness of the refreshed governance arrangements with support from Internal Audit. The outcome of this review has been delayed due to the impact of the Trust's response to Covid-19.

The Board Assurance Framework has been reviewed and refreshed over the last year and further development is planned. The Assurance Framework reflects the risks discussed by the Board and greater visibility will be achieved by presenting the Board Assurance Framework at all Board Committees and relevant sub-committees.

### Impact of Covid-19

The emergence of the Covid-19 pandemic towards the end of the financial year did not in itself pose any significant internal control risk to the Trust. The established governance arrangements were reviewed in light of the letter dated 28 March 2020 received from NHSE/I 'Reducing burden and releasing capacity at NHS providers and commissioners to manage the Covid-19 pandemic'.

The Trust was immediately responsive to the emerging pandemic and initiated its Emergency Preparedness, Resilience and Response process in order to manage the actions and situation returns required. The existing governance arrangements allowed for the prompt response to the changes required in responding to Covid-19. The Trust established a 'command and control' process through daily Bronze, Silver and Gold meetings to ensure a robust escalation and decision making process was in place. All decisions were made at Gold Command which comprised the Executive Team.

All departments reviewed and updated their Business Continuity Plans which were kept under constant review during a rapidly changing environment. Detailed Quality Impact Assessments were carried out and shared with the Board in all circumstances whereby clinical pathways had been changed in line with national guidance.

A separate Covid-19 Risk Register was developed and progress against the risks discussed at Trust Board on a monthly basis. Weekly Covid Situation Reports were developed to ensure the Board had sight of the direct effect of the pandemic on the treatment provided to our patients, including the different ways we began to engage with our patients through the use of technology. In addition, we put in place a comprehensive health and wellbeing offer for our staff reflecting both national and local arrangements.

The Board received detailed monthly reports on the Trust's response to Covid-19 and continues to do.

## Major risks for the Trust

The principal risks to the delivery of the Trust's Strategic Objectives are set out in the Board Assurance Framework and monitored quarterly by the Trust Board. The following risks have been identified during 2019/2020:

- Ensuring we deliver the transforming cancer care plan through delivery of our new clinical model
- Ensuring that we retain an appropriate, motivated and engaged workforce
- Ensure that we embed research and improvement based on research outcomes
- Ensure we secure a leadership role in collaboration with regional centers
- Ensure we develop our subsidiary companies to reinvest back into the NHS
- Ensure we maintain excellent quality, operational and financial performance
- Risk that we cannot continue to deliver Eye Proton therapy
- Potential risk that Covid-19 presents to service delivery

It is recognised that as we develop within the wider system working, it is essential that we continually develop our controls and governance arrangements to reflect this. As we continue to host the Cheshire and Merseyside Cancer Alliance and further develop our relationship through the Private Patient Joint Venture Agreement we will continue to review and develop those governance arrangements during the next year.

## Compliance with the NHS Foundation Trust condition 4 (FT Governance): Corporate Governance Statement

The Board considers the Corporate Governance Statement on an annual basis with a view to confirming compliance with condition FT(4) of the provider licence. All elements were reviewed by the Board in May 2019, following which it was confirmed there were no risks to compliance identified.

## NHS Improvement Well-Led Framework

The Board of The Clatterbridge Cancer Centre NHS Foundation Trust remains fully aware that they are responsible for all aspects of leadership within the Trust. The Trust had a Well Led review in January 2019 by the Care Quality Commission. The Report, published in April 2019 rated the Trust's core services overall as 'Good' for well-led. However, as areas for further development were identified, the Trust was rated as 'Requires Improvement' overall for well-led.

The Trust responded immediately with the development of a clear Improvement Plan, overseen by the Integrated Governance Committee with assurance to the Quality Committee and Trust Board on a monthly basis. Internal Audit (MIAA) carried out an audit of the process relating to the Improvement Plan which resulted in a substantial assurance opinion. We will continue to build upon and embed actions that have been completed as a result of the Improvement Plan.

The Trust is intending to carry out a facilitated self-assessment during the next financial year against the NHS Improvement Well Led Framework (2017) which will be used to critically evaluate the changes to governance arrangements and risk management that have been put in place during the last year.

## Assurance that staffing processes are safe, sustainable and effective

The Board received assurance that the processes relating to safe, sustainable and effective staffing are in place within the Trust and developed in accordance with 'Developing Workforce Safeguards (NHSI 2018)'. This ensures that staff are suitably qualified, competent and experienced. The Quality Committee and the Trust Board receive a monthly report on safer staffing through the Integrated Performance Report. In addition, staffing requirements form part of the annual business planning cycle to ensure that the appropriate level of resource is in place.

In addition, in preparation for the expansion into Liverpool a detailed workforce redesign project was completed to ensure we have sufficient suitably qualified staff to deliver safe care across all sites.

## Care Quality Commission Compliance

The Trust is fully compliant with the registration requirements of the Care Quality Commission and its current registration status is unconditional.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision making staff (as defined in the Managing Conflicts of Interest Policy) within the last 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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 timescale detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.



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.

## Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Trust has processes in place to ensure that resources are used economically, efficiently and effectively.

Through the annual planning cycle, detailed plans are submitted reflecting the operational and service requirements including how financial targets are to be achieved.

Monthly Performance Review meetings have been established with the Directorates and departments in order to monitor how resources are used. Any issues for escalation flowing from these meetings are discussed at the Performance Committee and ultimately the Trust Board.

The Integrated Performance Report has been redesigned during the last financial year to enable clear reporting on performance against key performance indicators thus ensuring the Board has clear visibility on the performance of the Trust.

The Audit Committee receives quarterly reports as standing items on the agenda including losses, special payments, compensations, bad debt, tender waivers and any contingent liabilities. This in turn provides assurance to the Board that financial management is carried out in line with our Standing Financial Instructions.

The Trust has utilised the Internal Audit function to continually review systems and processes with the reports being shared with the Audit Committee. During the last financial year, the Audit Committee has received a total of 10 risk based reviews, the outcomes being as follows:

- One high assurance opinion on our Electronic Staff Record(ESR)/HR Review
- Five substantial assurance opinion on Financial Systems, CQC Action Plan, Service Review, Business Unit Governance and Data Protection and Security Toolkit
- Four moderate assurance opinions relating to Medical Appraisal and Validation, Serious Incidents, Fit and Proper Requirements and Transforming Cancer Care Programme Management Office (TCC PMO)
- Zero limited assurance opinions and
- Zero no assurance opinions.

## Information Governance

The Trust has in place robust and effective systems to identify and manage and control any information risks. The Board is ultimately responsible for Information Governance, which is delegated to the Quality Committee. The Information Governance Board, chaired by the Director of Finance as the Senior Information Risk Owner, reports directly to the Quality Committee and Audit Committee. Internal Audit has completed their annual review of our provision for Data Protection and Security Toolkit resulting in a 'substantial' assurance opinion.

During the last financial year, the Trust has not reported any Serious Incidents relating to Information Governance classified as Level 2.

## Data Quality and Governance

During the last financial year work has progressed in ensuring we continue to have a focus on any data quality issues. The Data Management Group, Chaired by the Director of Finance is accountable to the Digital Board. The Data Management Group ensures that there is a centralised and coordinated approach to Data Quality and Business Intelligence across the Trust. This includes ensuring high standards of record keeping, accurate, timely and reliable information is recorded in and reported from clinical and business systems.

## Review of Effectiveness

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 Clatterbridge Cancer Centre NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and the Quality Committee and a plan to address weakness and ensure continuous improvement is in place.

## Process for maintaining and reviewing the system of internal control

The Board and the associated committees of the Board have met on a monthly basis during the last year.

Through the Committee structure, the Board receives reports on operational performance through the Integrated Performance Report. The aforementioned report incorporates key national priorities in addition to regulatory and statutory indicators. In addition the Integrated Performance Report encompasses additional sections related to quality, patient safety, patient experience, staffing and our performance against research and innovation.

The Audit Committee has provided the Board with an independent and objective review of the corporate governance and financial control within the Trust via the Chair's Reports.

The work of the Quality Committee and the Performance Committee are further described within this report and the board receives monthly Chair's reports from the aforementioned Committees in addition to commissioned reports on areas of concern in circumstances where additional assurance and is required.

My review has also been informed by the Head of Internal Audit Opinion which has contributed to this Annual Governance Statement. The Head of Internal Audit is required to provide an overall annual opinion statement to the Trust based upon, and limited to the work undertaken, on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes. The Trust has received a statement from the Head of Internal Audit based upon work undertaken during 2019/2020 and the overall opinion provides 'Substantial Assurance' that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

## Conclusion

Following my review I am content that no significant control issues have been identified in the Annual Governance Statement above.



**Dr Liz Bishop**  
**Chief Executive**

Date: 16 July 2020

# Annual Accounts

## 2019 / 2020



## Contents

Foreword to the Accounts	57
Independent Auditors' Report to the Council of Governors of The Clatterbridge Cancer Centre NHS Foundation Trust	66
Statement of Comprehensive Income	91
Statement of Financial Position	92
Statement of Changes in Equity	93
Statement of Cash Flows	94
Accounting Policies	95
Notes to the Accounts	95

## FOREWORD TO THE ACCOUNTS

### THE CLATTERBRIDGE CANCER CENTRE NHS FOUNDATION TRUST

The Group accounts for the 12 months ended 31 March 2020 that have been prepared by The Clatterbridge Cancer Centre NHS Foundation Trust are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.



**Dr Liz Bishop**  
**Chief Executive**

Date: 16 July 2020





# Audit Findings Report

The Clatterbridge Cancer Centre NHS Foundation Trust

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Year ended 31 March 2020

16 July 2020





The Coronavirus pandemic has presented an extraordinary challenge for us all. It is impacting on and will continue to affect all of our lives for some time to come. We want to start by thanking every single member of staff in the NHS for all you are doing to support patients – and your colleagues – in this hugely trying time.

You are the ones who are fighting the crisis head on. Over recent weeks we have heard some amazing stories about how staff across the NHS are going way over and above your normal roles. We are all eternally grateful for your efforts to keep our nation healthy and safe.

As well as looking after patients it is also vital that you look after yourselves too. Please do all you can to keep healthy and please take care of yourself, your colleagues and loved ones.

This is a moment in history which has reminded us how lucky we are to have you. You are stronger, braver and more appreciated than you will ever know.

We appreciate everything you are doing for this nation. We will not forget.

Thank you.

Grant Thornton UK LLP, June 2020

A small NHS logo is positioned in the top right corner of the slide, within a blue rectangular area. Above this area, a solid pink vertical bar extends from the top edge of the slide.

#ThankYouNHS



# Contents



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## Section

Section	Page
1. Headlines	4
2. Financial statements	7
3. Value for money	21
4. Independence and ethics	24

## Appendices

A. Audit adjustments	25
B. Follow up of prior year recommendations	29
C. Audit recommendations	30
D. Fees	32

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

This table summarises the key findings and other matters arising from the statutory audit of The Clatterbridge Cancer Centre NHS Foundation Trust ('the Trust') and the preparation of the group and Trust's financial statements for the year ended 31 March 2020 for those charged with governance.

<b>Covid-19</b>	<p>The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Trust. This included:</p> <ul style="list-style-type: none"> <li>• implementation of the Trust Emergency Preparedness Resilience and Response Policy</li> <li>• establishing an incident room staffed initially five days a week increasing to seven days a week</li> <li>• Normal face to face consultations changing to telephone or video consultations and establishing a patient helpline dedicated to providing our patients with advice specifically related to Covid-19</li> </ul> <p>Given the unprecedented operational challenge for Trusts, the Department of Health and Social Care (DHSC) extended the deadline for preparation of the financial statements up to 27 April 2020, with flexibility to extend to 11 May 2020, and the date for audited financial statements to 25 June 2020.</p>	<p>We have considered emerging guidance issued by the Financial Reporting Council, NHS Improvement and NHS England and actively contributed to audit firm and NAO technical meetings where the impact of the virus on the financial reporting disclosures and audit approach has been discussed.</p> <p>Our audit risk assessment considered the impact of the pandemic on our audit and when we issued our audit plan on 28 April 2020 we reported a financial statement risk in respect of Covid -19 and highlighted the impact on our VfM approach. Further detail is set out on page 11.</p> <p>Restrictions for non-essential travel has meant both Trust and audit teams have had to adapt to new working arrangements such as remote accessing of financial systems, video calling and gaining assurance over the completeness and accuracy of information produced by the Trust remotely.</p>
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# Headlines

This table summarises the key findings and other matters arising from the statutory audit of The Clatterbridge Cancer Centre NHS Foundation Trust ('the Trust') and the preparation of the group and Trust's financial statements for the year ended 31 March 2020 for those charged with governance.

<b>Financial Statements</b>	<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:</p> <ul style="list-style-type: none"> <li>the group and Trust's financial statements give a true and fair view of the financial position of the group and Trust and the group and Trust's income and expenditure for the year; and</li> <li>the group and Trust's financial statements, and the parts of the Remuneration and Staff Report to be audited, have been properly prepared in accordance with International Financial Reporting Standards, as interpreted and adapted by the Department of Health and Social Care (DHSC) and the DHSC group accounting manual 2019/20 (GAM).</li> </ul> <p>We are also required to report whether other information published together with the audited financial statements in the Annual Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>Our audit work is now complete and our findings are summarised on pages 7 to 20. We have not identified any adjustments to the financial statements that would result in an adjustment to the Trust's retained surplus position. Audit adjustments and disclosure issues are detailed in Appendix A. Our follow up of the recommendation from the prior year's audit is detailed in Appendix B with recommendations for management resulting from completion of our 2019/20 audit are set out in Appendix C.</p> <p>We have identified a limitation of scope to our opinion, relating to the existence of inventory in the group accounts. This is as a result of the audit team being unable to attend stock takes at year-end owing to physical distancing restrictions in place at this time. NHSI have written to provider trusts to set out their acknowledgment that this qualification was a consequence of the pandemic and not a matter that reflected on organisational performance or control.</p> <p>Similarly, as a result of the Covid-19 pandemic, the Trust's external property valuers have identified a material estimation uncertainty relating to market conditions and build costs which affect the year-end valuation of the Trust's land and buildings portfolio. Management have disclosed this material uncertainty in the final draft of the financial statements. We have referenced the disclosure of this material uncertainty in our audit opinion.</p> <p>Both of these issues are prevalent across the sector and have been recognised as acceptable reporting matters for 2019/20 by NHSI.</p> <p>We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.</p> <p>Our audit report opinion is qualified to reflect a limitation of scope over the year end stock balance, and will include an emphasis of matter paragraph, highlighting material uncertainty disclosures around year-end property valuations. The emphasis of matter paragraph does not represent a qualification of our audit opinion.</p>
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# Headlines

<b>Value for Money arrangements</b>	Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Trust has not made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').	<p>We have completed our risk based review of the Trust's value for money arrangements. We have concluded that The Clatterbridge Cancer Centre NHS Foundation Trust does have proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>We have nothing to report by exception. Our findings are summarised on pages 21 to 23.</p>
<b>Statutory duties</b>	<p>The National Health Service Act 2006 ('the Act') also requires us to:</p> <ul style="list-style-type: none"> <li>report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and</li> <li>to certify the closure of the audit.</li> </ul>	<p>We have not exercised any of our additional statutory powers or duties.</p> <p>We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.</p>

## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff amidst the pressure they were under during these unprecedented times.



# Summary

## Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Audit approach

Our audit approach was based on a thorough understanding of the group and Trust's business and is risk based, and in particular included:

- An evaluation of the group and Trust's internal controls environment, including its IT systems and controls;
- An evaluation of the component/s of the group based on a measure of materiality considering each as a percentage of the group and Trust's gross operating costs to assess the significance of the component and to determine the planned audit response. and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

## Conclusion

.We have completed our audit of your financial statements and issued a qualified audit opinion

# Summary

## Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

We set Group and Trust materiality at the planning stage of the audit using a benchmark of 1.8% based on your forecast total operating expenditure for 2019/20. Our final assessment of materiality is based on the final 2019/20 draft financial statements and whilst our application of qualitative factors is unchanged from that at the planning stage our final materiality and performance materiality levels and trivial thresholds have been revised to reflect the increase in actual expenditure.

We detail in the table below our determination of materiality for group and the Trust.

	Group Amount (£)	Trust Amount (£)	Qualitative factors considered
Materiality for the financial statements	3,232,000	3,200,000	This equates to 1.8% of gross operating expenses for the year in relation to the Group and 1.76% of the same benchmark for the Trust. These are considered to be the levels above which users of the accounts would wish to be aware in the context of overall income.
Performance materiality	2,102,000	2,080,000	Assessed to be 65% of financial statement materiality.
Trivial matters	161,000	160,000	This equates to 5% of materiality.
Materiality for senior officer remuneration disclosures	20,000	20,000	We have set a lower materiality for the remuneration report as it has been determined due to the increased interest to the user of the accounts.  This equates to be the lower of 2% of total relevant spend or £20k for Senior officer remuneration

# Going concern

## Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

## Going concern commentary

### Background and context

In accordance with the Department of Health Group Accounting Manual 2019-20 the financial statements have been prepared on a going concern basis as Directors do not either intend to apply to the Secretary of State for the dissolution of the Trust without the transfer of the services to another entity, or consider that such course of action will be necessary.

Prior to Covid-19 pandemic, the Trust had planned a surplus position of £445k for 2020-21 which was based on the centrally allocated control total. Whilst the pandemic has brought with it a number of risks and uncertainties with regards to activity, income and expenditure, these are mitigated by the revised funding mechanisms introduced by NHSI/E. The central funding mechanisms, whereby NHS bodies are fully funded is in place to 31 July and possibly for the full financial year through to 31 March 2021.

NHS bodies have been informed that it is reasonable to assume that funding will continue to flow from 1 April 2021 to 30 June 2021 – i.e. at least 12 months from the date of our expected audit opinion. In the Trust's view, this provides surety around cash flows and confirmation that all expenditure during this period will be paid for.

The Trust is also required to disclose material uncertainties in respect of events or conditions that cast doubt upon the going concern ability of the NHS Foundation Trust. The Board of Directors do not believe there are any such items to be disclosed in the financial statements as at 31 March 2020 and management continues to adopt the going concern basis in preparing the financial statements.

### Management's Assessment

Management has set out its assessment of going concern to the Board. This considers the Trust's financial position, financial planning, income and contracts and the arrangements that had been put into place by NHSI at that time i.e. a block payment being provided by NHSI for April to July 2020, and any additional expenditure on Covid-19 being funded. Whilst the position for the remainder of the year at that time was still to be confirmed, there was no indication that the Trust's assessment was unreasonable. Management did not identify any material uncertainty in relation to the going concern assumption.

### Work performed

- Undertaking discussions with senior management regarding the financial standing and future direction of the Trust
- Determining whether the conclusions made by the management regarding not disclosing going concern material uncertainties as reported in the financial statements were prudent and appropriate
- We have reviewed management's assessment in the light of the context given above and assessed the underlying assumptions used to support management's preparation of the accounts on a going concern basis.

# Going concern - continued

## Going concern commentary

### Work performed continued

- Reviewing cash flow forecasts up to March 2021 to assess the existence of any material uncertainties related to going concern
- Reviewing the cash flow forecasts and the reasonableness of the assumptions made, based on revised NHS funding mechanisms which are currently in place for 2020-21, and in the context of the NHSI/E letter of 27 May
- Verifying the disclosures within the financial statements comply with the reporting requirements detailed in the Department of Health and Social Care Group Accounting Manual 2019-20.

### Conclusions

- The Trust has planned for a surplus financial position for 2020-21 of £445k prior to the 2020-21 planning process ceasing as a result of the Covid-19 pandemic. This was supported by receipt of income from the national Financial Recovery Fund and included a requirement to deliver a £1.8m cost improvement programme (CIP). We have found management's assessment to be reasonable.
- The Trust has projected cashflow forecasts until March 2021 and has set out financial forecasts up to 31 March 2022 in the 3 year Operational Plan. Our review of these cash flows indicate assumptions used are considered prudent and reasonable
- Our work on updated disclosures within the financial statements indicates they comply with the reporting requirements detailed in the Department of Health and Social Care Group Accounting Manual 2019-20.
- Note 1.1.2 in the financial statements confirms the accounts have been prepared on a going concern basis and includes reference to the current financial arrangements to give some context.
- We cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty is not a guarantee that the Trust will continue in operation

# Significant risks

This section provides commentary on the significant audit risks communicated in the Audit Plan.

## Risks identified in our Audit Plan

### Impact of the Covid-19 pandemic

The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to;

Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation

Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates

Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and

Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.

We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement and a key audit matter.

## Commentary

We worked with management to understand the implications the response to the Covid-19 pandemic has had on the Trust's ability to prepare the financial statements and update financial forecasts and assess the implications for our materiality calculations.

We:

- liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise.
- evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic.

We have evaluated

- whether sufficient audit evidence can be obtained in the absence of physical verification of assets through remote technology.
- whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations and recovery of receivable balances.
- management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment.

The Trust's disclosures are in line with the DHSC guidance relating to the impact of the Covid-19 pandemic. Financial forecasts and the cashflow analysis of the Trust supports the ability for the Trust to prepare the accounts on a going concern basis.

We expect to include an emphasis of matter paragraph in our audit opinion in respect of the material estimation uncertainty identified by the external valuer as set out on page 14.

Auditing standards require auditors to attend year end stock takes where inventory is a material balance. As a result of the physical distancing measures we have been unable to attend any stock takes at NHS Trusts on a national level. We are therefore required to report a limitation of scope on the completeness of the stock balance within the financial statements. This will be included in our audit opinion.

We have not identified any further issues in respect of this risk to be reported to those charged with governance

# Significant risks

Risks identified in our Audit Plan	Commentary
<p><b>Management override of controls</b></p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Trust faces external pressures to meet agreed targets, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• evaluated the design effectiveness of management controls over journals</li> <li>• analysed the journals listing and determine the criteria for selecting high risk unusual journals</li> <li>• tested unusual journals made during the year and after the draft accounts stage for appropriateness and corroboration</li> <li>• gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness</li> <li>• evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul> <p>Our audit work in this area is now complete and we have not identified any significant issues in respect of management override of controls.</p> <p>Our review and assessment of management controls for journals noted that the Trust do not undertake periodic reviews of user access rights. We set out an audit recommendation in Appendix C.</p>



# Significant risks

## Risks identified in our Audit Plan

### Fraudulent revenue recognition

Trusts are facing significant external pressure to restrain budget overspends and meet externally set financial targets, coupled with increasing patient demand and cost pressures. In this environment, we have considered the rebuttable presumed risk under ISA (UK) 240 that revenue may be misstated due to the improper recognition of revenue.

We have rebutted this presumed risk for the revenue streams of the group and Trust that are principally derived from contracts that are agreed in advance at a fixed price. We have determined these to be income from:

- Block contract income element of patient care revenues
- Block contract income element of education & training contracts

We have not deemed it appropriate to rebut this presumed risk for all other material streams of patient care income and other operating revenue. We have therefore identified the occurrence and accuracy of these income streams of the group and the existence of associated receivable balances as a significant risk, which was one of the most significant assessed risks of material misstatement and a key audit matter.

## Commentary

We have:

- evaluated the group's accounting policy for recognition of income from patient care activities and other operating revenue for appropriateness and compliance with the DHSC Group Accounting Manual 2018/19
- updated our understanding of the group's system for accounting for income from patient care and other operating revenue, and evaluated the design of the associated controls

### Patient Care Income

- using the DHSC mismatch report, we will investigate unmatched revenue and receivable balances over the NAO £0.3m threshold, corroborating the unmatched balances used by the group to supporting evidence;
- agreed, on a sample basis, income from contract variations and year end receivables to signed contract variations, invoices or other supporting evidence such as correspondence from the group's commissioners
- evaluated the group's estimates and the judgments made by management on contract income variations with regard to corroborating evidence in order to arrive at the total income from contract variations recorded in the financial statements.

### Other Operating Revenue

- agreed, on a sample basis, income and year end receivables from other operating revenue to invoices and cash payment or other supporting evidence
- tested, on a sample basis, additions to deferred research and development income in the current year to ensure the accuracy of deferring the income.

Our work has not identified any significant issues in respect of this risk.

# Significant risks

## Risks identified in our Audit Plan

### Valuation of land and buildings

The Trust re-values its land and buildings annually to ensure that the current value is not materially different from fair value. This represents a significant estimate by management in the financial statements.

In valuing the Trust's estate, management have made the assumption that the main hospital site and satellite radiotherapy clinic, if needed to be replaced, would be rebuilt to modern conditions. The Trust plans to commission a valuer to value the Trust's estate at 31 March 2019 on a desktop basis.

We therefore identified the valuation of land and buildings, in particular revaluations of the main hospital site and satellite clinic, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.

## Commentary

We have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work
- evaluated the competence, capabilities and objectivity of the valuation expert
- discussed with the valuer the basis on which the valuations were carried out and challenged the key assumptions applied
- tested the information used by the valuer to ensure it is complete and consistent with our understanding
- tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Trust's asset register
- evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

As a result of the Covid-19 pandemic, the Trust's valuers have declared a 'material uncertainty' in relation to their valuation as at 31 March 2020. This is in response to the global impact of Covid19 generating an unprecedented set of circumstances on which Cushman & Wakefield have had to base their valuation, and as a result they declared that a higher degree of caution should be attached to the valuation than would normally be the case. This material uncertainty is being declared by all RICS compliant valuers of NHS property nationally and is not specific to the Trust.

We identified an that the Trust had not reversed accumulated depreciation of £967k relating to assets that had been revalued during the year. The required amendment was agreed as set out at Appendix A. We also identified a £208k difference between the Property, Plant and Equipment (Buildings) Note and the amount in the Valuer's report. The Trust decide not to amend this issue as set out at Appendix A.

Our work has not identified any further significant issues in respect of this risk.

# Significant findings arising from the group audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

Evaluation of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality and significance of the component as a percentage of the group's total income, assets and liabilities. Our approach included an audit of one or more classes of transactions, account balances or disclosures for components evaluated as significant and for non significant components we perform analytical procedures at the group level.

Component	Audit Scope	Findings	Group audit impact
The Clatterbridge Cancer Centre NHS Foundation Trust	Audit of the financial information of the component using component materiality	<ul style="list-style-type: none"> <li>No matters identified.</li> </ul>	<ul style="list-style-type: none"> <li>No impact upon group audit.</li> </ul>
Clatterbridge Cancer Charity	Analytical procedures at group level	<ul style="list-style-type: none"> <li>No matters identified.</li> </ul>	<ul style="list-style-type: none"> <li>No impact upon group audit.</li> </ul>
Clatterbridge PropCare Services Limited	Audit of one or more classes of transactions, account balances or disclosures	<ul style="list-style-type: none"> <li>No matters identified.</li> </ul>	<ul style="list-style-type: none"> <li>No impact upon group audit.</li> </ul>
The Clatterbridge Pharmacy Limited	Audit of one or more classes of transactions, account balances or disclosures	<ul style="list-style-type: none"> <li>No matters identified.</li> </ul>	<ul style="list-style-type: none"> <li>No impact upon group audit.</li> </ul>
Clatterbridge Private Clinic	Analytical procedures at group level	<ul style="list-style-type: none"> <li>No matters identified.</li> </ul>	<ul style="list-style-type: none"> <li>No impact upon group audit.</li> </ul>

# Other areas of audit focus

Risks identified in our Audit Plan	Commentary
<p><b>International Financial Reporting Standard (IFRS) 16 Leases – (issued but not adopted)</b></p>	<p>The Trust has included a summary of IFRS 16, the revised implementation date and the anticipated approach on transition to applying the standard. However, a quantification of the expected impact on applying the new standard can not currently be estimated. The Trust has included appropriate disclosure at note 1.23.</p>
<p>Although the implementation of IFRS 16 has been delayed to 1 April 2021, audited bodies still need to include disclosure in their 2019/2020 statements to comply with the requirement of IAS 8 para 31. As a minimum, we would expect audited bodies to disclose the title of the standard, the date of initial application and the nature of the changes in accounting policy for leases. However, audited bodies still need to include disclosure in their 2019/2020 statements to comply with the requirement of IAS 8 para 31.</p>	<p>.</p>

# Significant findings – judgements and estimates

## Significant judgement or estimate

### Land and Buildings – £34.1m

## Summary of management's approach

Buildings comprise £32.4m of specialised assets, which are required to be valued at depreciated replacement cost (DRC) at year end, on a modern equivalent asset basis.

Management have determined the amount of space and location required for ongoing service delivery in the light of their current and projected service needs and have instructed the valuer accordingly.

Land comprises £1.5m that is not specialised in nature and are required to be valued at its existing use (EUV) at year end.

The Trust has engaged Cushman and Wakefield to complete a valuation of land and buildings, which included physical inspection of the sites, as at 31 March 2020. 100% of total land and buildings were revalued at 31 March 2020.

Management's external valuation specialist disclosed in their report a material valuation uncertainty in respect of market evidence and build costs as a result of the Covid-19 pandemic and ensuing restrictions. Management has appropriately disclosed this in their accounts in note 1.2.1 - Sources of estimation uncertainty.

We have included this as a key audit matter in our auditor's report.

## Audit Comments

We reviewed the detail of your assessment of the estimate, considering

- an assessment of management's expert, Cushman and Wakefield
- the completeness and accuracy of the underlying information used to determine the estimate
- appropriateness of any alternative site assumptions
- reasonableness of increase/decrease in estimate
- adequacy of disclosure of estimate in the financial statements

We have included a key audit matter in our audit opinion in respect of the material estimation uncertainty identified by the external valuer.

## Assessment

  
Green

## Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- We consider management's process is appropriate and key assumptions are neither optimistic or cautious

# Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
<b>Matters in relation to fraud</b>	We have previously discussed the risk of fraud with the Audit Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
<b>Matters in relation to related parties</b>	<p>We are not aware of any related parties or related party transactions which have not been disclosed.</p> <p>We completed a review of Companies House records to determine whether Board Members were Company Director's and compared this to the Trust register of interest declarations. That review noted two Directorships held where there was no corresponding declaration of interest disclosed in the Trust register. We set out an audit recommendation in Appendix C</p>
<b>Matters in relation to laws and regulations</b>	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
<b>Written representations</b>	<p>A standard letter of representation has been requested from the Trust, which is included in the Audit Committee papers for the 30 June 2020 meeting.</p> <p>To date, no additional representations have been required to the standard letter.</p>
<b>Confirmation requests from third parties</b>	<p>We requested from management permission to send confirmation requests to the Trust's bankers . This permission was granted and the requests were sent. All of these requests were eventually returned with positive confirmation.</p> <p>We obtained direct confirmations from NHSI in relation to loans and public dividend capital.</p>
<b>Accounting practices</b>	<p>We have evaluated the appropriateness of the Trust's accounting policies, accounting estimates and financial statement disclosures.</p> <p>We discussed with the Trust the need to include the reference to the material uncertainty in respect of valuations as set out in the report compiled by the Valuer within Accounting Policy Note 1.2.1 – Sources of Estimation Uncertainty and the necessary disclosures have now been agreed.</p> <p>A number of further amendments were agreed and with the Trust in respect of Accounting Policies to minimise disclosures that were not required and to help ensure compliance with GAM requirements.</p>
<b>Audit evidence and explanations/significant difficulties</b>	We plan to debrief with the finance team after the completion of the audit to identify ways in which to make the audit process smoother next year. We will report back to the Audit Committee on the actions that we and the finance team plan to take in due course.



# Other responsibilities under the Code

Issue	Commentary
<b>Other information</b>	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We recommended some minor presentational amendments to management which have been adjusted for in the updated version. Subject to receipt of the final version of the Annual Report we plan to issue an unmodified opinion in this respect.</p>
<b>Auditable elements of Remuneration Report and Staff Report</b>	<p>We are required to give an opinion on whether the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the requirements of the Act, directed by the Secretary of State with the consent of the Treasury.</p> <p>We have audited the elements of the Remuneration Report and Staff Report, as required by the Code. We identified a small number of errors in the salary and remuneration table where prior year comparators were not initially included, incorrect bandings were disclosed in the table at Section 3.5 and noted that one officer had been incorrectly included. The required corrections have been applied to amend for these issues.</p> <p>We have not identified any issues that impact on our opinion.</p>
<b>Matters on which we report by exception</b>	<p>We are required to report on a number of matters by exception in a number of areas:</p> <p>If the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation Trust Annual reporting manual 2019/20 is misleading or inconsistent with the information of which we are aware from our audit</p> <p>The information in the annual report is materially inconsistent with the information in the audited financial statements or apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group and Trust acquired in the course of performing our audit, or otherwise misleading.</p> <p>Our review of the Annual Governance Statement and Annual Report identified a small number of minor omissions. These issues have been discussed with Officers and required revisions have been made.</p> <p>If we have applied any of our statutory powers or duties. We have nothing to report on these matters.</p>

## Other responsibilities under the Code

Issue	Commentary
<b>Review of accounts consolidation schedules and specified procedures on behalf of the group auditor</b>	<p>We are required to give a separate audit opinion on the Trust accounts' consolidation schedules and to carry out specified procedures (on behalf of the NAO) on these schedules under group audit instructions. In the group audit instructions the Trust was selected as a non-sampled component.</p> <p>There are no unadjusted inconsistencies identified between the draft financial statements and the accounts consolidation schedules, which we are required to report in our opinion on the consolidation schedules.</p> <p>Once the final version of the financial statements and the accounts consolidation schedules are available, we will perform our final set of consistency checks.</p>
<b>Certification of the closure of the audit</b>	<p>We intend to certify the closure of the 2019/20 audit of group and Trust in the audit report.</p>

# Value for Money

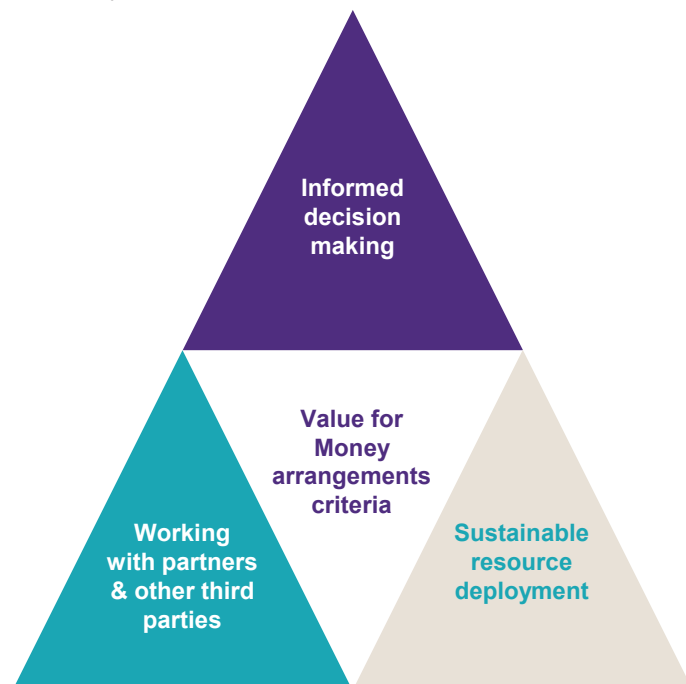
## Background to our VFM approach

We are required to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception where we are not satisfied. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Trust. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2019. AGN 03 identifies one single criterion for auditors to evaluate:

*"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people."*

This is supported by three sub-criteria, as set out below:



## Risk assessment

In our Audit Plan dated 28 April 2020, we indicated that having considered the guidance contained in AGN03, we had identified financial sustainability and resilience as a significant risk to your arrangements.

We have updated our VFM risk assessment in May to document our understanding of your arrangements and doing so reviewed your arrangements to ensure critical business continuity in the current environment. We have not identified any new VFM risks in relation to the Covid-19 pandemic.

We have continued our review of relevant documents up to the date of giving our report and have not identified any further significant risks where we need to perform further work.

# Value for Money

## Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Trust's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Trust's arrangements. In arriving at our conclusion, our main considerations were:

- how effectively the Trust was monitoring its financial position, and
- Whether the Trust was sufficiently forward looking.

We have set out more detail on the risks we identified, the results of the work we performed, and the conclusions we drew from this work on page 23.

## Overall conclusion

Based on the work we performed to address the significant risks, we are satisfied that the Trust had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

## Recommendations for improvement

We discussed findings arising from our work with management and have no recommendations for improvement.

## Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

## Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

# Value for Money

## Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
<b>Financial Sustainability and Resilience</b> <p>In 2018/19 the Trust achieved its planned surplus and outturn and achieved the maximum amount of PSF funding.</p> <p>The Trust's 3-year operational plan is forecasting surpluses in each of the 3 years to 2021-22, with planned surpluses of £3.49m, £0.57m and £2.5m respectively between 2019-20 and 2021-22. As at month 9, the Trust was reporting a surplus of £2.527m against a planned surplus of £2.8m., and the CIP programme had achieved savings of 80% of the planned savings of £1.8m.</p> <p>The forecast cash balance in each of the 3 years are £15.4m, £11.4m and £11.5m, which remains healthy, especially taking account of the overall financial health across the NHS sector.</p> <p>Covid-19 has meant that the 2020/21 planning cycle has been delayed, and central arrangements have been put in place to ensure providers have cash resources necessary to ensure continued operations.</p> <p>There is a risk that the Trust does not have proper arrangements for setting and delivering a sustainable budget with sufficient capacity to absorb emerging cost pressures.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>continued to monitor the Trust's financial position; and</li> <li>considered the year end outturn and review financial planning in the light of the Covid-19 challenges.</li> </ul> <p>The Trust has a three-year operational plan covering the period 2019/20 to 2021/20 which included delivering a control total for 2019/20 of £3.5m. The Trust delivered an operating surplus for 2019/20 of £4.9m.</p> <p>Through out the year the Trust monitored performance using five key metrics and was generally ahead of target except for its rating on the single oversight framework which was affected by the spending against the agency cap, however this too was managed within the overall pay budget.</p> <p>The Trust quickly put in place arrangements to ensure operational continuity and monitor the financial impacts of Covid-19. In April, management was able to inform the Board of the anticipated revenue impact. As early as 2009, in the light of the H1N1 outbreak, the Trust had undertaken an assessment of its ability to respond to a pandemic outbreak.</p> <p>Prior to the suspension of the normal planning cycle, the Trust had prepared plans that show an operating deficit of £19m after impairments of £25.5m. Operating income is expected to grow £167m and other income to £24m, employee expenditure will rise to £72m as the Trust transitions towards the new model of care it envisages.</p> <p>The savings target required to meet the plan is £1.8m is on par with that for 2019/20 and is a relatively modest 1.7% of relevant income.</p> <p>The Trusts plans have fully reflected the capital commitments. The Trust has a five-year programme of £52.9m of capital expenditure for which finance sources of £55m have been identified.</p>	<p>The Trust has proper arrangements for ensuring financial sustainability.</p> <p>Based on the work we performed to address the significant risk, we are satisfied that the Trust has put in place proper arrangements.</p> <p>The Trust needs to continue to monitor expenditure and income and manage any further financial impact of Covid-19.</p>

# Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2019 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D

## Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. No non-audit services were identified which were charged from the beginning of the financial year to 13 July 2020.



## Appendix A

# Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted misstatements

Based on audit work completed to date, we have identified the following errors that management have adjusted the accounts for.

	Statement of Comprehensive Net Income £'000	Statement of Financial Position £' 000	Impact on adjusted net surplus/(deficit) £'000
Our testing of the accounting entries in respect of the revaluation exercise identified that the accumulated depreciation charged of £967k had not been reversed out as required by the DHSC Group Accounting Manual and as set out in the Trust's accounting policy for measurement of Property plant and equipment. Note 8.1 sets out the detail.			
Accumulated Deprecation - revaluations		(967)	No impact
Cost/Valuations - Revaluations		967	
The required amendments have been actioned.			
Overall impact	£0	£0	£0

## Appendix A

# Audit Adjustments

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Audit recommendation and Management response	Adjusted?
<b>Accounting Policies</b>		
The Trust initially included disclosure of the “material valuation uncertainty” declared by the valuer within the valuation report at Note 8.5 of the Financial Statements rather than within Accounting policies.	We would expect that the inclusion of this matter to be disclosed within Note 1.2.1 Sources of estimation uncertainty - rather than within the Property, Plant and Equipment Note.	✓
We also recommended management review the key sources of estimation uncertainty disclosures to remove references to immaterial items. A number of further amendments were agreed and with the Trust to help ensure compliance with GAM requirements.	Management have made appropriate amendments to the accounts.	
<b>Financial Instruments</b>		
Within the Financial Instruments note the Trust Financial Liabilities are understated by £6,445k which should have included accruals on loans.	Financial Liabilities within the Financial Instruments to be increased by £6,445k	✓
	Management have made appropriate amendments to the accounts.	
<b>Statement of Changes in Equity</b>		
Management identified within the SoCiTE the need to include an extra line for ‘Other movement in reserves’ to decrease the Charitable Funds reserve by £8,384k and increase the Trust's I&E reserve by £8,383k with a difference/movement in the total column of -£1k.	We agreed with the need to include this line within the Statement of Changes in Equity.	✓
	Management have made appropriate amendments to the accounts.	
<b>Operating Lease – Note 3.2</b>		
The Operating Leases note did not agree to the supporting TAC forms. In total Note 3.2 in the draft statement of accounts totals £9,098k where as per the supporting analysis the total is £9,088k.	The Operating Leases note to be updated to reflect the supporting analysis.	✓
	Management have made appropriate amendments to the accounts.	
<b>Trade and other Receivables Note 11.1 and Trade and other Payables Note 12</b>		
A footnote disclosure to confirm amounts receivable from and payable to other NHS and DHSC group bodies was omitted from draft financial statements.	That the required disclosures be added to Notes 11 and 12.	✓
	Management have made appropriate amendments to the accounts.	

## Appendix A

# Audit Adjustments

Disclosure omission	Audit recommendation and Management response	Adjusted?
<b>General disclosures throughout the accounts</b>		
Our review and audit of the draft accounts identified a small number of presentational changes to enhance the clarity of the accounts for the reader.	<p>We have shared the areas for presentational amendments and these have been reflected in the revised accounts.</p> <p>Management have made appropriate amendments to the accounts.</p>	✓
<b>General disclosures throughout the accounts</b>		
<p>We reviewed the DHSC GAM guidance and noted that the Group's annual accounts do not include the following:</p> <ul style="list-style-type: none"> <li>A disclosure note setting out total contracted capital commitments at 31 March not otherwise included in the financial statements, analysed by Property, Plant and Equipment and intangible assets.</li> <li>Operating lease disclosures should detail future minimum lease payments analysed by the categories of land, buildings and other. The Trust have disclosed future payments however analysis across these categories has not been included; and</li> <li>A disclosure note to enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.</li> </ul>	<p>The Trust should undertake an annual assessment of DHSC guidance to ensure that required disclosures and disclosure notes are included.</p> <p>Management have reviewed these omissions and determined that corrective action is not required.</p> <p>The Trust have confirmed that they will review for 2020/21.</p>	x
<b>Deferred Income</b>		
Both the 2017-18 and 2018-19 draft accounts included a deferred income balance of £1.1 million, which relates to an arrangement fee for the loan commitment provided by the Trust to Clatterbridge Prop care Services Limited.	<p>The Trust should adjust the accounting treatment.</p> <p>The Trust have confirmed that they will review for 2020/21.</p>	x
<p>We believe that the deferred income should have been netted off the financial asset, i.e. the loan. The arrangement fee should then be recognised as finance income as an adjustment to the loan's effective interest rate (EIR) in future years. If the commitment expires without making a loan, the commitment fee is recognised as revenue on expiry.</p> <p>The issue remains unadjusted in the 2019/20 financial statements.</p>		

## Appendix A

# Audit Adjustments

## Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2019/20 audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Statement of Comprehensive Net Income £'000	Statement of Financial Position £' 000	Impact on adjusted net surplus/(deficit) £'000
The total value per the Property, Plant and Equipment note for buildings is higher than the Valuer's report by £208k.	0	(208)	0
<b>Overall impact</b>	<b>£0</b>	<b>(£208)</b>	<b>£0</b>

## Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2018/19 financial statements

Detail	Statement of Comprehensive Net Income £'000	Statement of Financial Position £' 000	Impact on adjusted net surplus/(deficit) £'000	Reason for not adjusting
We considered the change in the approach taken by the Trust's valuer to determining the economic lives of assets to be indicative of an error in the estimates made in previous years.	373	(373)	373	Amount is below performance materiality
Management has re-calculated the 12-month expected credit loss on the PropCare loan in accordance with IFRS 9.	130	(130)	130	Amount is below performance materiality
<b>Overall impact</b>	<b>£503</b>	<b>£503</b>	<b>£503</b>	

## Appendix B

# Follow up of prior year recommendations

We identified the following issues in the audit of the Trust's 2018/19 financial statements, which resulted in one recommendation being reported in our 2018/19 Audit Findings report. We have followed up on our recommendations and found that management have not implemented all of our recommendations. See details below.

Assessment	Issue and risk	Recommendations	Update on actions taken to address the issue
●	<p>The 2018/19 draft financial statements were submitted late by two days and the submitted version contained a high number of disclosure issues. The Trust has stated that the delay was caused by the Trust not receiving pension information from the NHSI for the ill health retirement note.</p> <p>Delay in submission and incomplete, and/ or high number of errors leads to delays in the audit and numerous adjustments.</p>	<p>We recommend that the Trust reviews its financial statements preparation process and the preparation time table.</p> <p>The Trust also needs to ensure there is a robust review process to ensure the accuracy, completeness and presentation of the financial statements.</p>	<p>The draft financial statements were submitted by the Trust in compliance with revised timeframes.</p> <p>Based on audit work completed to date, we are able to confirm that the financial statements contain far fewer disclosure issues than noted in the prior year audit.</p>

## Controls

- High – Significant effect on control system
- Medium – Effect on control system
- Low – Best practice




## Appendix C

# Audit recommendations




We have identified a number of recommendations for the Trust as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2020/21 audit. The matters reported here are limited to those issues that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
	<p><b>Capital Accruals</b></p> <p>We tested ten capital accruals and found that for eight there was a difference between the amount accrued and the actual value of the final payment made. Differences ranged between a £175,195 under accrual to a £100,000 over accrual. This included two separate sample items for £100,000 each that the Trust accrued where subsequently no order was placed. The Trust have confirmed that this was a consequence of Covid-19. We confirmed that the net position of the under/over accruals was an over accrual of £121,205.</p> <p><b>Property, Plant and Equipment Additions</b></p> <p>Testing of Property Plant and Equipment additions identified a £127k transaction that was an accrual for the VAT element of electronic patient records expenditure. The Trust subsequently determined that VAT did not apply to the transaction and therefore the accrual of this expenditure was unnecessary.</p> <p>We also identified that the cost of an international flight had been capitalised, where based on discussion with the Trust, it is our view that the costs for the member of staff should have been charged to revenue.</p> <p>We acknowledge that there is often a degree of estimation involved when accruing expenditure. However, the Trust should review year end closedown procedures for accrual of capital expenditure to improve accuracy.</p>	<p>Review the processes and timetable for year end accruals to determine if additional measures should be implemented to improve accuracy of accruals.</p> <p><b>Management response</b></p> <p>We believe that this was necessary. At the time the accrual was made it was unclear whether the VAT was recoverable, we were therefore prudent and accrued for the VAT. Subsequently it was determined VAT was recoverable.</p> <p>The flight was capitalised due to the individual concerned undertaking work directly related to the GDE capital programme. There is no revenue funding for this scheme, it is a capital funded scheme so the costs were capitalised.</p> <p>The Trust review the accruals through attendance at major and minor equipment groups. Considering the size and complexity of the Trusts capital programme this year, £55m additions the differences between estimated accruals and actuals are quite small.</p>
	<p><b>Journal controls</b></p> <p>Our review and assessment of management controls for journals noted that the Trust do not undertake periodic reviews of user access rights.</p>	<p>The Trust should undertake a review of user access rights at least annually to determine that only appropriate users retain access rights.</p> <p><b>Management response</b></p> <p>There is both an ongoing process in place where leavers are removed from the system and a periodic review of access although it isn't currently documented. The Trust will document the periodic review going forward.</p>

# Action recommendations

Assessment	Issue and risk	Recommendations
	<b>Asset Register</b> The Trust's Fixed Asset register does not include unique asset reference numbers for each asset. The Trust should introduce such a system of unique references and undertake periodic physical checks to verify continued existence of assets.	Consider implementing a system of unique asset numbers and undertaking periodic reviews to confirm existence of assets included on the Trust Asset Register <b>Management response</b> There is a system of unique numbering for all IM&T equipment. The majority of the Trusts' equipment is 'non-moveable' the Trust intends to add the asset serial number to the asset register. The Trust is also considering whether it would be value for money to purchase a Fixed Asset Register software system. Such a system would contain unique asset numbers.
	<b>Related Party Transactions</b> To test completeness of the related party transaction disclosures, we completed a review of Companies House records to determine whether board members held directorships and compared this to the declarations made in the Trust's register of interests. That review identified two directorships held where there was no corresponding declaration of interest disclosed in the Trust's register.	The Trust should periodically check & review completeness of declarations made. <b>Management response</b> The Trust carries out a review process on an annual basis in accordance with the Fit and Proper Requirements. This comprises completion of a 'Fit and Proper' self- declaration, re-submission of a declaration of interests form in addition to various searches of companies house by HR representatives and the Associate Director of Corporate Governance. The Trust has just commenced the annual review for 2020/2021 and given the audit findings, the Associate Director of Corporate Governance will review the declaration form to ensure it is clear in relation to what is disclosures are required and add an additional check within the companies house search.
	<b>Trade payables</b> Our testing of trade payables included one sample invoice for £13,150 that was dated 3 April 2014. We confirmed that this payment remained outstanding at the date of audit testing (June 2020)	The Trust should undertake periodic reviews aged outstanding liabilities to establish the validity of transactions and determine whether liability remains. <b>Management response</b> This appears to be a low value query issue. The Trust does undertake a review of aged creditors on a periodic basis.

## Controls

-  High – Significant effect on control system
-  Medium – Effect on control system
-  Low – Best practice



## Appendix D

# Fees

We confirm below our fees charged for the audit and confirm there were no fees for the provision of non audit services.

<b>Audit fees</b>	<b>Proposed fee</b>	<b>Final fee</b>
Trust Audit	£122,000	TBC
<b>Total audit fees (excluding VAT)</b>	<b>£122,000</b>	<b>TBC</b>

We understand that NHSI have agreed to pay £25,000 to the Trust as a one-off contribution to the audit fee. During the deferral of IFRS 16 until 2021/22, we have deferred the fee for the IFRS 16 audit work until next year. Due to the cancellation of the 2019/20 quality accounts work, we have deducted £8,000 from the negotiated audit fee. However, we may need to propose a fee variation for additional work performed as a result of Covid-19. This will be discussed with the Director of Finance once the audit is concluded and our costs can be analysed.



**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 2019/20**

	NOTE	Group		FT	
		2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Income from patient care activities		168,235	143,785	168,235	143,785
Other operating income		21,125	19,835	28,460	19,902
<b>Operating Income from continuing operations</b>	2	<b>189,360</b>	163,620	<b>196,695</b>	163,688
<b>Operating Expenses from continuing operations</b>	3	<b>(179,554)</b>	(151,922)	<b>(182,284)</b>	(154,429)
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>9,806</b>	11,698	<b>14,412</b>	9,259
<b>Finance costs</b>					
Finance income	5	376	417	4,365	1,896
Finance expense - financial liabilities	6.1	(852)	(254)	(5,351)	(1,983)
PDC dividends payable		(4,800)	(3,667)	(4,800)	(3,667)
<b>Net Finance costs</b>		<b>(5,275)</b>	(3,504)	<b>(5,786)</b>	(3,754)
Share of Profit/(Loss) of Associates accounted for using the equity method	9	695	502	695	502
Corporation Tax		(364)	(360)	0	0
<b>Surplus / (deficit) from continuing operations</b>		<b>4,862</b>	8,336	<b>9,320</b>	6,007
<b>Other Comprehensive Income:</b>					
Impairments		0	0	0	0
Revaluations		(3,266)	922	(3,266)	922
FV gains/(losses) on Available For Sale (AFS) financial assets		(135)	45	0	0
Total other comprehensive income/(expenditure) for the year		(3,401)	967	(3,266)	922
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR</b>		<b>1,461</b>	<b>9,303</b>	<b>6,054</b>	<b>6,929</b>

<b>Adjusted Financial Performance: Control Total Basis</b>	Group	
	2019/20 £000	2018/19 £000
Group Surplus / (deficit) from continuing operations	4,862	8,336
Remove Charity (Surplus) / deficit	5,284	(1,464)
Group Surplus / (deficit) excluding Charity	10,146	6,872
Remove impact of impairments charged to I&E	0	0
Remove (gains)/losses on transfer by absorption	0	0
Remove I&E impact of capital grants and donations	(6,635)	416
Remove impact of Provider Sustainability Funding (PSF)	(412)	(4,011)
Adjusted Financial Performance Surplus / (deficit)	3,099	3,277

Adjusted financial performance shows the figures used by NHS Improvement to assess the Trust's performance for the year against the annual plan. The Trust's agreed control total for 2019/20 was a surplus of £3.08m. The Trust's agreed control total for 2018/20 was a surplus of £1.67m.

The notes on pages 24 to 41 form part of these accounts.


The results of the group are attributable to the parent.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	NOTE	Group		FT	
		31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
<b>Non-current assets</b>					
Intangible assets	7	2,143	1,673	2,143	1,673
Property, plant and equipment	8.1	205,262	157,905	205,907	158,340
Investments in associates	9	519	1,174	519	1,174
Other investments		1,101	1,236	0	0
Other financial assets	13	0	0	124,317	78,815
Trade and other receivables	11.1	21	1,667	21	1,667
<b>Total non-current assets</b>		<b>209,047</b>	<b>163,655</b>	<b>332,908</b>	<b>241,669</b>
<b>Current Assets</b>					
Inventories	10.1	3,546	2,263	1,649	1,263
Trade and other receivables	11.1	31,718	34,098	45,101	34,431
Cash and cash equivalents	18	44,802	84,260	29,299	72,963
<b>Total current assets</b>		<b>80,065</b>	<b>120,621</b>	<b>76,049</b>	<b>108,657</b>
<b>Current liabilities</b>					
Trade and other payables	12	(40,809)	(42,422)	(42,904)	(35,938)
Borrowings	14	(1,980)	(1,985)	(1,980)	(1,985)
Provisions	16	(339)	(350)	(233)	(267)
Other liabilities	13	(2,900)	(2,402)	(2,900)	(2,402)
<b>Total current liabilities</b>		<b>(46,028)</b>	<b>(47,159)</b>	<b>(48,017)</b>	<b>(40,592)</b>
<b>Total assets less current liabilities</b>		<b>243,084</b>	<b>237,117</b>	<b>360,939</b>	<b>309,734</b>
<b>Non-current liabilities</b>					
Trade and other payables	12	(1,879)	(1,162)	0	0
Borrowings	14	(35,550)	(37,336)	(35,550)	(37,336)
Provisions	16	(121)	0	(121)	0
Other liabilities	13	0	0	(126,083)	(84,723)
<b>Total non-current liabilities</b>		<b>(37,550)</b>	<b>(38,498)</b>	<b>(161,754)</b>	<b>(122,059)</b>
<b>Total assets employed</b>		<b>205,534</b>	<b>198,619</b>	<b>199,185</b>	<b>187,675</b>
<b>Financed by taxpayers' equity</b>					
Public Dividend Capital		60,819	55,364	60,819	55,364
Revaluation reserve	17.1	4,562	8,493	4,562	8,493
Income and expenditure reserve		133,160	123,384	133,804	123,818
<b>Financed by others' equity</b>					
Charitable fund reserves	17.2	2,877	8,295	0	0
Pharmacy subsidiary reserves		2,323	2,018	0	0
PropCare subsidiary reserves		1,794	1,064	0	0
<b>Total taxpayers' and others' equity</b>		<b>205,534</b>	<b>198,619</b>	<b>199,184</b>	<b>187,675</b>

The notes on pages 12-41 form part of these accounts.

The financial statements on pages 8-11 and accompanying notes were approved by the Audit Committee (with delegated approval from the Board) on 30th June 2020 and were signed and authorised for issue on its behalf by the Chief Executive.

Signed:  Date : ... 16 July 2020.....

# STATEMENT OF CHANGES IN EQUITY

	Total £000	Others' Equity Charitable Funds £000	Public Dividend Capital £000	Taxpayers' Equity Revaluation Reserve £000	Income & Expenditure Reserve £000
<b>Equity at 1 April 2019</b>	<b>198,619</b>	8,295	55,364	8,493	126,466
Surplus/(deficit) for the year	<b>4,862</b>	3,100	0	0	1,762
Transfers between reserves	<b>0</b>	0	0	(665)	665
Revaluations - property, plant and equipment	<b>(3,266)</b>	0	0	(3,266)	0
Fair value gains/(losses) on available-for-sale financial investments	<b>(135)</b>	(135)	0	0	0
Public dividend capital received	<b>5,455</b>	0	5,455	0	0
Other movement in reserves	<b>(1)</b>	(8,384)	0	0	8,383
<b>Equity at 31 March 2020</b>	<b>205,534</b>	<b>2,877</b>	<b>60,819</b>	<b>4,562</b>	<b>137,277</b>

	Total £000	Others' Equity Charitable Funds £000	Public Dividend Capital £000	Taxpayers' Equity Revaluation Reserve £000	Income & Expenditure Reserve £000
<b>Equity at 1 April 2018</b>	<b>157,219</b>	6,786	23,267	7,839	119,327
Surplus/(deficit) for the year	<b>8,336</b>	1,464	0	0	6,872
Transfers between reserves	<b>0</b>	0	0	(267)	267
Revaluations - property, plant and equipment	<b>922</b>	0	0	922	0
Fair value gains/(losses) on available-for-sale financial investments	<b>45</b>	45	0	0	0
Public dividend capital received	<b>32,097</b>	0	32,097	0	0
<b>Equity at 31 March 2019</b>	<b>198,619</b>	<b>8,295</b>	<b>55,364</b>	<b>8,493</b>	<b>126,466</b>

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 2019/20

Prepared using the indirect method

	NOTE	Group		FT	
		2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
<b>Cash flows from operating activities</b>					
Operating surplus/(deficit)	SOCI	9,806	11,698	14,412	9,259
<b>Non-cash income and expense</b>					
Depreciation and amortisation	3.1	5,241	4,493	5,241	4,493
(Increase)/decrease in receivables	11.1	4,008	(785)	(9,024)	669
(Increase)/decrease in other assets	13	0	0	(45,502)	(60,100)
(Increase)/decrease in inventories	10.1	(1,283)	(391)	(385)	(102)
Increase/(decrease) in trade and other payables	12	(1,675)	5,723	(94)	7,968
Increase/(decrease) in other liabilities	13	498	95	41,858	64,664
Increase/(decrease) in provisions	16	110	(139)	87	(195)
Corporation tax (paid) / received	SOCI	(370)	(90)	0	0
NHS Charitable Funds		17	14	0	0
<b>Net cash generated from/(used in) operations</b>		16,353	20,618	6,591	26,656
<b>Cash flow from investing activities</b>					
Interest received	5	346	387	4,365	377
Purchase of intangible assets	7.1	(707)	(1,059)	(707)	(1,059)
Purchase of property, plant and equipment	8.1	(54,846)	(65,191)	(48,778)	(72,513)
Cash movement from acquisitions of business units and subsidiaries	9	1,350	0	1,350	0
NHS Charitable Funds	5	31	0	0	0
<b>Net cash generated from/(used in) investing activities</b>		(53,827)	(65,863)	(43,770)	(73,195)
<b>Cash flows from financing activities</b>					
Public dividend capital received	SOCIE	5,455	32,097	5,455	32,097
Loans received		0	37,000	0	37,000
Loans repaid	20.2	(1,730)	(990)	(1,730)	(990)
Capital element of finance lease rental payments	15	(53)	(51)	(53)	(51)
Interest on loans	6.1	(853)	(52)	(5,353)	(248)
Interest element of finance lease	6.1	(5)	(7)	(5)	(7)
PDC dividend (paid) / refunded	SOCI	(4,800)	(3,667)	(4,800)	(3,667)
<b>Net cash generated from/(used in) financing activities</b>		(1,986)	64,330	(6,486)	64,134
<b>Increase/(decrease) in cash and cash equivalents</b>	18	(39,459)	19,085	(43,664)	17,595
<b>Cash and cash equivalents at 1 April</b>	18	84,260	65,174	72,963	55,368
<b>Cash and cash equivalents at 31 March</b>	18	44,802	84,260	29,299	72,963

# 1. Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

## 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

## 1.1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust continues to demonstrate a strong underlying financial position. Our expectation for 2020/21 was to deliver a small surplus position. A temporary financial regime is currently in place during the Covid-19 pandemic which guarantees at least a breakeven position will be maintained during the April to July period. The funding regime beyond that has not yet been confirmed but is not considered to create any material uncertainty over the Trust's ability to continue as a going concern.

The Trust has a forecast cash balance of £33.6m at 31 March 2021 and has no concerns regarding the ability to service payments as and when they fall during 2020/21.

After making enquiries, the Board of Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis when preparing the accounts.

## 1.2 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### Clatterbridge PropCare Services Limited - VAT Recovery & Asset Valuation

The Trust applied to HMRC to request formal clearance for provision of a fully operated and managed healthcare facility under HMRC contracted-out services heading 45 – “Operation of hospitals, healthcare establishments and healthcare facilities and the provision of any related services” by its wholly owned subsidiary company Clatterbridge PropCare Services Limited. The Trust board have considered the risks under heading 45 and agreed that PropCare should proceed with the build, recovering VAT as costs are incurred. The implication for the accounts is that the value of the asset under construction is calculated on the cost of construction excluding VAT.

### Clatterbridge PropCare Services Limited - Accounting for the Financial Asset/Liability

Management has determined that Clatterbridge PropCare Services Limited is acting as principal in the provision of a service consisting of the design, construction, operation and



management of a fully managed and operated healthcare facility to the Trust under the 25 year agreement. As a result, as at 31 March 2019, the Trust has measured the liability with Clatterbridge PropCare Services Limited in respect of construction costs for the new cancer centre in accordance with IAS 17 – Leases. Accordingly, Clatterbridge PropCare Services Limited have recognised a financial asset in their individual financial statements.

## **Financial Assets**

In line with DHSC guidance the Trust has adopted IFRS 9 – Financial Assets, replacing IAS 39. The Trust has made a loan to PropCare Limited and this is the only financial asset recognised. The Trust's approach is that this is accounted for on an amortised cost basis, with a 12 month expected loss value. The expected loss value of the financial asset has been accounted for under provisions in 2019/20. This will be reviewed annually.

### **1.2.1 Sources of estimation uncertainty**

The following are 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 within the next financial year:

#### **Clinical negligence costs**

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which The Clatterbridge Cancer Centre NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims.

## **1.3 Consolidation**

The NHS Foundation Trust is the corporate trustee to the Clatterbridge Cancer Charity NHS charitable fund. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

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 trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

#### **Other subsidiaries**

The Group has two wholly owned subsidiaries, The Clatterbridge Pharmacy Limited which was established in 2013, and Clatterbridge PropCare Services Limited which was established in 2016. Both subsidiaries have been consolidated in the group financial statements.

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries 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.

#### **Associates**

The Group has an associate, Clatterbridge Private Clinic LLP, which was established in 2013 with the healthcare company Mater Private and the FT owns a 49% share.

Associate entities are those over which the trust has the power to exercise a significant influence. Associate entities are recognised in the trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the trust from the associate.

### **1.4.1 Revenue from contracts with customers**

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018). Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

#### **Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

#### **Revenue from research contracts**

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

## 1.4.2 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

## 1.4.3 Other income

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.

## 1.5 Expenditure on employee benefits

Short-term employee benefits Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period. Pension costs NHS Pension Scheme Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes. Employer's pension cost contributions are charged to operating expenses as and when they become due. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

## 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

## 1.7 Property, plant and equipment

### 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust;
- it is expected to be used for more than one financial year

- the 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 a cost of more than £250,

where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

## 1.7.2 Measurement

### Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet 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 and, where capitalised in accordance with IAS 23, borrowings costs. 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.

### Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

## Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which have been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

## Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

## Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

### 1.7.3 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 same is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - ▶ the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### **1.7.4 Donated, government grant and other grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items or property, plant and equipment.

## **1.8 Intangible assets**

### **1.8.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

#### **Internally generated intangible assets**

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

#### **Software**

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

### **1.8.2 Measurement**

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

## **Amortisation**

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

## **1.9 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First out (FIFO) method.

## **1.10 Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

## **1.11 Financial instruments and financial liabilities**

### **1.11.1 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.

### **1.11.2 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 or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost

Financial liabilities classified as subsequently measured at amortised cost

### **Financial assets and financial liabilities 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.

### **Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, 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).

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.

### **1.11.3 De-recognition**

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.

### **Financial Guarantees**

Financial guarantees issued by the Trust on behalf of its subsidiaries are recognised as financial liabilities at the date the guarantee is issued. Liabilities arising from financial guarantee contracts are initially recognised at fair value and subsequently at the higher of the amount determined in accordance with the Group's provisions accounting policy (please refer to 1.13) and the amount initially recognised less cumulative amortization.

The fair value of the financial guarantee is determined by way of calculating the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation. Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Trust.

## 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

### 1.12.1 The trust as lessee

#### Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

#### Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

#### Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

## 1.13 Provisions

The trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

#### Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the trust is disclosed at note 16 but is not recognised in the trust's accounts.

#### Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual

membership contributions, and any “excesses” payable in respect of particular claims are charged to operating expenses when the liability arises.

## 1.14 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 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, 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.

## 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32. At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received. A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health (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.

## 1.16 Value Added Tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## 1.17 Corporation Tax

The Clatterbridge Cancer Centre NHS Foundation Trust is a Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains tax within categories covered by this. There is a power by the treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of

activities, which are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000 per annum.

## **1.18 Foreign exchange**

The Foundation Trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the foundation trust's Statement of Comprehensive Income in the period in which they arise.

## **1.19 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since The Clatterbridge Cancer Centre NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

## **1.20 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

## **1.21 Gifts**

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

## **1.22 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

## **1.23 Accounting standards issued but not yet effective or adopted**

HM treasury, via the FReM, applies EU-adopted IFRS with adaptations and interpretations. DHSC group bodies must apply IFRS and adopted by HM Treasury in the FReM, except where additional departures and interpretations have been agreed by DHSC, as specified in DHSC GAM.

European Union (EU) adoption is always subsequent to the publication of IFRS by the IASB. Where a new standard or interpretation has been issued by the IASB, but has not yet been implemented, IAS 8 Accounting Policies, changes in Accounting Estimates and Errors requires disclosure in the accounts of this fact, and the known or reasonably-estimated impact that application will have in the period of initial applications.

In each case below, the new standards have not been adopted by the EU for financial years up to and including 2019/20. Therefore, they are not yet adopted in the FReM (and therefore DHSC GAM). In each case, the financial year in which the change is expected to become effective in the Trust's accounts is disclosed after the standard's name.

**IFRS 14 Regulatory Deferral Accounts** (new standard) – this standard is not applicable to DHSC group bodies.

## 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 2021. 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 2021, 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 1.27% 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. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, 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.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

**IFRS 17 Insurance contracts:** (new standard) (2021/22) – This standard is not expected to affect the Trust's accounts as it does not issue insurance contracts.

In addition, the IASB has issued a revised Conceptual Framework for Financial Reporting. Whilst early adoption is permissible under the FReM, for consistency, all DHSC group bodies will continue to apply the current Conceptual Framework, issued in 2010, until the 2020/21 financial year. This is unlikely to significantly affect the Trust's accounts.

IASB – International Accounting Standards Board – the independent, accounting standard-setting body of the IFRS Foundation.

IFRS – International Financial Reporting Standard.

## 2. Operating segments

The business activities of the Group can be summarised as that of 'healthcare'. The chief operating decision maker for Clatterbridge Cancer Centre NHS Foundation Trust is the FT Board. Key decisions are agreed at monthly Board meetings and sub-committee meetings of the Board, following scrutiny of performance and resource allocation. The FT Board review and make decisions on activity and performance of the FT as a whole entity, not for its separate business activities.

The activities of the subsidiary companies, The Clatterbridge Cancer Charity, The Clatterbridge Pharmacy Limited and Clatterbridge PropCare Services Limited, are not considered sufficiently material to require separate disclosure.

The Clatterbridge Cancer Charity is a registered charity that supports cancer care in the NHS. The Board of the FT is the Corporate Trustee of the Charity.

The Clatterbridge Pharmacy Limited provides dispensing services and drug procurement to the FT. The FT is the sole shareholder of the company.

Clatterbridge PropCare Services Limited is overseeing construction of the new hospital in Liverpool and redesign of the Wirral site, and manages the FT's property, estates and facilities on its behalf.

### 2.1 Income from Activities

Income from activities comprises:

	Group / FT	
	2019/20 £000	2018/19 £000
Elective income	4,641	3,990
Non-elective income	4,923	5,044
First outpatient income	3,568	2,730
Follow up outpatient income	16,108	17,469
High cost drugs income from commissioners	69,267	58,595
Other NHS clinical income*	56,657	46,446
<b>NHS Income from Activities</b>	<b>155,164</b>	<b>134,274</b>
Private patients	3,285	2,392
North Wales	3,707	3,468
Rest of Wales	53	131
Scotland	220	218
Ireland	144	86
Additional pension contribution central funding	2,566	0
Other non-protected clinical income	3,096	3,216
	<b>168,235</b>	<b>143,785</b>

\*Other NHS clinical income comprises of chemotherapy activity (£24m), radiotherapy activity (£20m), block income (£-3m), diagnostic imaging (£2m), outpatient procedures (£6m) and bone marrow transplants (£5m).

The figures quoted for both years above are based upon income received in respect of actual activity undertaken within each category. The Terms of Authorisation set out the mandatory goods and services that the FT is required to provide protected services. All of the income from activities shown above is derived from the provision of protected services.

## 2.2 Income from patient care activities

	Group / FT	
	2019/20 £000	2018/19 £000
NHS England	<b>142,018</b>	121,910
Clinical commissioning groups	<b>15,487</b>	12,136
NHS Foundation Trusts	<b>239</b>	282
NHS Trusts	<b>0</b>	0
Department of Health and Social Care	<b>0</b>	561
Non NHS Private patients	<b>3,285</b>	2,392
Non NHS: Other	<b>7,205</b>	6,505
	<b>168,235</b>	143,785

## 2.3 Other Operating Income

	Group		FT	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Research and Development	<b>4,779</b>	3,149	<b>4,779</b>	3,149
Education and Training	<b>1,450</b>	1,289	<b>1,351</b>	1,289
Cash donations for the purchase of capital assets - received from NHS charities	<b>0</b>	0	<b>7,072</b>	0
Non-patient care services to other bodies	<b>7,702</b>	5,667	<b>7,702</b>	5,667
Provider sustainability fund (PSF)	<b>412</b>	4,011	<b>412</b>	4,011
Other	<b>3,666</b>	3,018	<b>7,144</b>	5,786
NHS Charitable Funds: Incoming Resources excluding investment income	<b>3,117</b>	2,700	<b>0</b>	0
	<b>21,125</b>	19,835	<b>28,460</b>	19,902



### 3. Operating Expenses

#### 3.1 Operating expenses comprise:

	Group		FT	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Purchase of healthcare from NHS and DHSC bodies	13,849	10,397	13,849	10,397
Purchase of healthcare from non-NHS and non-DHSC bodies	2,486	458	2,486	458
Staff and executive directors costs	66,750	58,225	65,574	57,207
Non Executive Directors' costs	168	159	138	128
Supplies and services - clinical (excluding drug costs)	4,909	3,018	4,994	4,693
Supplies and services - general	518	2,229	2,340	2,216
Drugs costs	68,225	57,521	69,331	58,271
Consultancy	316	363	226	343
Establishment	1,795	1,702	1,791	1,753
Premises - business rates collected by local authorities	181	178	181	178
Premises - other	6,326	6,256	7,444	7,928
Transport (business travel only)	114	87	113	85
Transport - other (including patient travel)	87	118	87	120
Depreciation on property, plant and equipment	5,005	4,391	5,005	4,391
Amortisation on intangible assets	236	103	236	103
Increase / (decrease) in provision for impairment of receivables	151	57	151	57
Provisions arising / released in year	144	(22)	121	(22)
Audit services- statutory audit*	180	83	146	48
Other auditor remuneration (external auditor only)	0	9	0	9
Internal audit costs	121	118	95	98
Clinical negligence	253	194	253	194
Legal fees	200	205	198	205
Insurance	149	155	140	136
Research and development	1,208	307	1,208	307
Education and training	874	1,394	865	1,384
Operating lease expenditure	550	543	550	543
Redundancy costs	0	0	0	0
Car parking & Security	0	0	0	0
Hospitality	9	13	9	13
Other**	4,708	3,605	4,753	3,186
NHS Charitable funds: Other resources expended	42	57	0	0
	<b>179,554</b>	<b>151,922</b>	<b>182,284</b>	<b>154,429</b>

\*Group statutory audit fees include £5k for the charity, £16k for PharmaC and £13k for PropCare. Audit fees are inclusive of VAT for the FT and charity, and exclusive of VAT for PharmaC and PropCare.

\*\* Other operating expenditure contains £3.1m of expenditure relating to Haemato Oncology.

#### 3.2 Arrangements containing an operating lease

	Group / FT	
	2019/20 £000	2018/19 £000
<b>Future minimum lease payments due:</b>		
Not later than one year	462	456
Later than one year and not later than five years	300	300
Later than five years	8,325	8,475
	<b>9,087</b>	<b>9,231</b>

These leases are for land at Aintree, IT equipment, and portakabins.

## 4.1 Staff costs

	Group		FT	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Salaries and wages	50,798	47,085	49,797	46,186
Social Security costs	4,802	4,299	4,702	4,210
Apprenticeship levy	217	193	217	193
Pension cost - employer contributions to NHS pension scheme	5,916	5,228	5,879	5,228
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	2,566	0	2,566	0
Pension cost - other	49	37	11	6
Temporary staff - external bank	472	0	472	0
Temporary staff - agency/contract staff	1,929	1,384	1,929	1,384
	<b>66,750</b>	<b>58,225</b>	<b>65,574</b>	<b>57,207</b>

## 4.2 Average number of WTE persons employed

	Group		FT	
	2019/20 WTE	2018/19 WTE	2019/20 WTE	2018/19 WTE
Medical and dental	92	96	92	96
Administration and estates	486	459	474	447
Healthcare assistants and other support staff	156	96	142	96
Nursing, midwifery and health visiting staff	277	268	277	268
Scientific, therapeutic and technical staff	272	279	263	265
	<b>1,283</b>	<b>1,199</b>	<b>1,248</b>	<b>1,173</b>

## 4.3 Retirements due to ill-health

This note discloses the number and additional costs for individuals who retired early on ill-health grounds during the year. There was one retirement at an additional cost of £77k in 2019-20 (2018-19 - one retirement at an additional cost of £113k). This information has been supplied by the NHS Business Services Authority.

## 4.4 Retirement benefits

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is 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, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The expected employer contributions to the NHS pension scheme for 2019-20 is £8.5m, which includes a £2.6m contribution paid by NHS England on behalf of the FT.

## 5. Finance Income

	Group		FT	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Interest on other investments / financial assets	346	387	4,365	1,896
NHS Charitable funds: investment income	31	30	0	0
	376	417	4,365	1,896

### 6.1 Finance Costs - Interest expense

	Group		FT	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Loans from the Department of Health and Social Care	847	247	847	247
Interest on other loans	0	0	4,499	1,729
Interest on finance lease obligations	5	7	5	7
	852	254	5,351	1,983

### 6.2 Better Payment Practice Code

	FT			
	2019/20		2018/19	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	8,617	99,360	8,585	82,926
Total Non NHS trade invoices paid within target	5,474	84,758	6,928	76,267
Percentage of Non-NHS trade invoices paid within target	63.5%	85.3%	80.7%	92.0%
Total NHS trade invoices paid in the year	1,194	36,183	1,419	27,361
Total NHS trade invoices paid within target	499	20,196	712	18,787
Percentage of NHS trade invoices paid within target	41.8%	55.8%	50.2%	68.7%

The Better Payment Practice Code requires the FT to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

### 6.3 The late payment of commercial debts (interest) Act 1998:

No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2019-20 or 2018-19.

## 7. 1 Intangible assets 2019/20

	Group / FT	
	Software licences £000	TOTAL £000
Cost / valuation at 1 April 2019	1,950	1,950
Additions – purchased	707	707
<b>Cost / valuation at 31 March 2020</b>	<b>2,657</b>	<b>2,657</b>
Accumulated amortisation at 1 April 2019	277	277
Provided during the year	236	236
<b>Accumulated depreciation at 31 March 2020</b>	<b>513</b>	<b>513</b>
<b>Net book value at 31 March 2019</b>		
Purchased	1,673	1,673
<b>Total at 31 March 2019</b>	<b>1,673</b>	<b>1,673</b>
<b>Net book value at 31 March 2020</b>		
Purchased	2,143	2,143
<b>Total at 31 March 2020</b>	<b>2,143</b>	<b>2,143</b>

## 7. 2 Intangible assets 2018/19

	Group / FT	
	Software licences £000	TOTAL £000
Cost / valuation at 1 April 2018	891	891
Additions – purchased	1,059	1,059
<b>Cost / valuation at 31 March 2019</b>	<b>1,950</b>	<b>1,950</b>
Accumulated amortisation at 1 April 2018	174	174
Provided during the year	103	103
<b>Accumulated depreciation at 31 March 2019</b>	<b>277</b>	<b>277</b>
<b>Net book value at 31 March 2018</b>		
Purchased	717	717
<b>Total at 31 March 2018</b>	<b>717</b>	<b>717</b>
<b>Net book value at 31 March 2019</b>		
Purchased	1,673	1,673
<b>Total at 31 March 2019</b>	<b>1,673</b>	<b>1,673</b>

## 8.1 Property, plant and equipment 2019/20

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant and machinery £000	Group / FT Transport equipment £000	Information technology £000	Furniture and fittings £000	TOTAL £000
Cost / valuation at 1 April 2019	871	37,390	96,558	25,162	25	12,291	171	172,467
Additions – purchased	0	80	44,098	965	0	3,414	0	48,556
Additions - donated	0	0	0	7,072	0	0	0	7,072
Revaluations	585	(3,851)	0	0	0	0	0	(3,266)
Disposals/derecognition	0	0	0	0	0	(916)	0	(916)
<b>Cost / valuation at 31 March 2020</b>	<b>1,456</b>	<b>33,618</b>	<b>140,656</b>	<b>33,198</b>	<b>25</b>	<b>14,788</b>	<b>171</b>	<b>223,913</b>
Accumulated depreciation at 1 April 2019	0	0	0	10,590	20	3,850	103	14,562
Provided during the year	0	967	0	2,564	3	1,454	17	5,005
Revaluations	0	0	0	0	0	0	0	0
Disposals/derecognition	0	0	0	0	0	(916)	0	(916)
<b>Accumulated depreciation at 31 March 2020</b>	<b>0</b>	<b>967</b>	<b>0</b>	<b>13,153</b>	<b>23</b>	<b>4,387</b>	<b>121</b>	<b>18,651</b>
<b>Net book value at 31 March 2019</b>								
Purchased	871	33,760	96,558	13,793	0	8,174	67	153,223
Finance leased	0	0	0	0	0	268	0	268
Donated	0	3,629	0	780	5	0	0	4,414
<b>NBV at 31 March 2019 for Group</b>	<b>871</b>	<b>37,390</b>	<b>96,558</b>	<b>14,573</b>	<b>6</b>	<b>8,442</b>	<b>67</b>	<b>157,905</b>
Add: PURP adjustment*	0	0	435	0	0	0	0	435
<b>NBV at 31 March 2019 for FT</b>	<b>871</b>	<b>37,390</b>	<b>96,993</b>	<b>14,573</b>	<b>6</b>	<b>8,442</b>	<b>67</b>	<b>158,340</b>
<b>Net book value at 31 March 2020</b>								
Purchased	1,456	29,567	140,656	19,606	0	10,269	50	201,603
Finance leased	0	0	0	0	0	115	0	115
Donated	0	3,087	0	456	2	0	0	3,545
<b>NBV at 31 March 2020 for Group</b>	<b>1,456</b>	<b>32,654</b>	<b>140,656</b>	<b>20,062</b>	<b>2</b>	<b>10,384</b>	<b>50</b>	<b>205,262</b>
Add: PURP adjustment*	0	0	645	0	0	0	0	645
<b>NBV at 31 March 2020 for FT</b>	<b>1,456</b>	<b>32,654</b>	<b>141,300</b>	<b>20,062</b>	<b>2</b>	<b>10,384</b>	<b>50</b>	<b>205,907</b>

\*The PURP (provision for unrealised profits) relates to the adjustment required to eliminate the profit element recognised by PropCare on the new build hospital costs charged to the FT.

In 2019/20 the land and buildings were revalued and recognised net of VAT because the VAT is able to be recovered through the contractual arrangement with a third party.

## 8.2 Property, plant and equipment 2018/19

		Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	TOTAL £000
Group / FT									
Cost / valuation at 1 April 2018 Additions – purchased Revaluations Disposals/derecognition <b>Cost / valuation at 31 March 2019</b>		871	36,989	32,177	23,659	25	8,399	171	102,291
		0	224	64,381	3,687	0	3,892	0	72,183
		0	177	0	0	0	0	0	177
		0	0	0	(2,184)	0	0	0	(2,184)
		<b>871</b>	<b>37,390</b>	<b>96,558</b>	<b>25,162</b>	<b>25</b>	<b>12,291</b>	<b>171</b>	<b>172,467</b>
Accumulated depreciation at 1 April 2018 Provided during the year Revaluations Disposals/derecognition <b>Accumulated depreciation at 31 March 2019</b>		0	0	0	10,426	16	2,572	86	13,100
		0	745	0	2,347	4	1,278	17	4,391
		0	(745)	0	0	0	0	0	(745)
		0	0	0	(2,184)	0	0	0	(2,184)
		<b>0</b>	<b>0</b>	<b>0</b>	<b>10,590</b>	<b>20</b>	<b>3,850</b>	<b>103</b>	<b>14,562</b>
<b>Net book value at 31 March 2018</b> Purchased Finance leased Donated <b>Total at 31 March 2018</b>		871	33,408	32,290	12,130	0	5,407	84	84,190
		0	0	0	0	0	421	0	421
		0	3,582	0	1,104	9	0	0	4,695
		<b>871</b>	<b>36,990</b>	<b>32,290</b>	<b>13,234</b>	<b>9</b>	<b>5,828</b>	<b>84</b>	<b>89,306</b>
<b>Net book value at 31 March 2019</b> Purchased Finance leased Donated <b>Total at 31 March 2019</b>		871	33,760	96,558	13,793	0	8,174	67	153,223
		0	0	0	0	0	268	0	268
		0	3,629	0	780	5	0	0	4,414
		<b>871</b>	<b>37,390</b>	<b>96,558</b>	<b>14,573</b>	<b>6</b>	<b>8,442</b>	<b>67</b>	<b>157,905</b>
Add: PURP adjustment* <b>NBV at 31 March 2019 for FT</b>		0	0	435	0	0	0	0	435
		<b>871</b>	<b>37,390</b>	<b>96,993</b>	<b>14,573</b>	<b>6</b>	<b>8,442</b>	<b>67</b>	<b>158,340</b>

\*The PURP (provision for unrealised profits) relates to the adjustment required to eliminate the profit element recognised by PropCare on the new build hospital costs charged to the FT.

### 8.3 Assets for commissioner requested services

All assets on the fixed asset register are used for commissioner requested services.

### 8.4 Economic life of Property, plant and equipment and Intangibles

	Minimum Years	Maximum Years
Land	Infinite	Infinite
Buildings excluding dwellings	5	85
Plant & Machinery	5	15
Transport Equipment	3	7
Information Technology	3	10
Furniture & Fittings	3	10
Licences	5	10

There have been no significant changes in useful lives or estimation methods from the previous period.

### 8.5 Property Valuations:

A full site valuation of all the FT's property has been undertaken in 2019-20 by a professional valuer, Cushman & Wakefield, on the Modern Equivalent Asset basis. Further details of the valuation approach are included under note 1.7 (Accounting policies).

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

## 9. Investments in associates

	<b>Group / FT</b>	
	<b>Investments in associates</b>	<b>Investments in associates</b>
	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
<b>Carrying value at 01 April</b>	<b>1,174</b>	672
Share of profit/(loss)	<b>695</b>	502
Dividends paid to FT	<b>(1,350)</b>	0
<b>Carrying value at 31 March</b>	<b>519</b>	1,174

This relates to the FT's associate company, the Clatterbridge Private Clinic LLP, which provides a service for private patients.



## 10.1 Inventories

	Group		FT	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Drugs	3,546	2,263	1,649	1,263
	3,546	2,263	1,649	1,263

## 10.2 Inventories recognised in expenses

The value of inventories recognised in expenses was £68.23m (2018-19 £57.52m) for the Group and £69.33m (2018-19 £58.27m) for the FT.

## 11.1 Trade and other receivables

	Group		FT	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Contract receivables: invoiced	14,913	8,210	15,194	8,351
Contract receivables: not yet invoiced / non-invoiced	12,729	15,468	26,190	19,075
Allowance for impaired contract receivables / assets	(327)	(186)	(327)	(187)
Allowance for impaired other receivables	(2)	0	(2)	0
Prepayments	2,700	6,836	3,278	6,833
VAT receivable	1,692	3,742	767	360
Other receivables	0	(1)	0	0
NHS Charitable funds: Trade and other receivables	12	30	0	0
<b>Total current trade and other receivables</b>	<b>31,718</b>	<b>34,098</b>	<b>45,101</b>	<b>34,431</b>
Prepayments	21	1,667	21	1,667
<b>Total non-current trade and other receivables</b>	<b>21</b>	<b>1,667</b>	<b>21</b>	<b>1,667</b>

## 11.2 Allowances for credit losses (doubtful debts)

	Group / FT	
	2019/20 £000	2018/19 £000
<b>Balance at 1 April</b>	<b>186</b>	<b>134</b>
New allowances arising	203	57
Reversals of allowances	(52)	0
Utilisation of allowances	(8)	(5)
<b>Balance at 31 March</b>	<b>328</b>	<b>186</b>

The allowance for credit losses relates to the Trust's non-government trade debt.

## 12. Trade and other payables

	Group		FT	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade payables	12,967	9,810	8,735	10,494
Capital payables	8,516	8,449	7,157	97
Accruals	13,821	15,009	21,303	17,305
Receipts in advance	3,048	5,066	3,048	5,066
Social Security costs	704	619	689	1,093
Other taxes payable	546	849	534	1,077
Other payables	1,202	2,615	1,438	807
NHS Charitable funds: trade and other payables	5	6	0	0
<b>Total current trade and other payables</b>	<b>40,809</b>	<b>42,422</b>	<b>42,904</b>	<b>35,938</b>
Capital payables	1,879	1,162	0	0
<b>Total non-current trade and other payables</b>	<b>1,879</b>	<b>1,162</b>	<b>0</b>	<b>0</b>

## 13. Other liabilities (and other financial assets)

	Group		FT	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
Deferred income	2,900	2,402	2,900	2,402
<b>Total current other liabilities</b>	<b>2,900</b>	<b>2,402</b>	<b>2,900</b>	<b>2,402</b>
Deferred income	0	0	1,156	1,156
PropCare liability	0	0	124,926	83,567
<b>Total non-current other liabilities</b>	<b>0</b>	<b>0</b>	<b>126,083</b>	<b>84,723</b>

Included within deferred income are specific allocations relating to hosted services, research and development and post graduate medical education. Funding is received annually for these services. Deferred income brought forward from the previous year is utilised in year and the annual incomes received for the services are deferred if not required during the current year.

The PropCare liability is offset by the loan receivable within Other Financial Assets of £124,317k. The non-current deferred income of £1,156k relates to an arrangement fee with PropCare. Both entries are eliminated on consolidation.

## Loan commitments

As at 31 March 2020, Clatterbridge PropCare Services Limited has drawn down £124 million in loans from the Trust. The receipt of loans from the Trust are intended to cover the capital cost of the new cancer centre and the refurbishment of the existing estate. Clatterbridge PropCare Services Limited will be responsible for repaying the loans plus a fixed rate of interest from the income received via the unitary charge under the 25 year agreement.

The Trust measures the loan commitments in accordance with IAS 37. As at 31 March 2020, management does not believe that the loan commitment is onerous as Clatterbridge PropCare Services Limited's credit risk is low and therefore the probability of a default event is remote. Therefore, the Trust does not expect any credit losses arising from the loan commitment it has made to Clatterbridge PropCare Services Limited. Accordingly, the Trust has not recognised a provision in its accounts as at 31 March 2020.

## Financial guarantee

The Trust has provided a financial guarantee to Laing O'Rourke on behalf of Clatterbridge PropCare Services Limited. In the event that Clatterbridge PropCare Services Limited is unable to meet its financial obligations to Laing O'Rourke, the Trust is liable to pay the outstanding trade creditor.

In accordance with IAS 39, this financial guarantee needs to be recognised at fair value. As there is no active market for this type of guarantee, the Trust needs to estimate the fair value. The Trust has calculated the expected losses under the guarantee, i.e. the probability-weighted outcome.

Using this estimation technique, management believes that as at 31 March 2020 the fair value of the financial guarantee is nil. This is based on the judgement that Clatterbridge PropCare Services Limited is a going concern and the probability of a credit default event is very remote.

## 14. Borrowings

	CURRENT Group / FT		NON-CURRENT Group / FT	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Loans from the Department of Health and Social Care	<b>1,925</b>	1,932	<b>35,550</b>	37,280
Obligations under finance leases	<b>56</b>	53	<b>0</b>	56
	<b>1,980</b>	1,985	<b>35,550</b>	37,336

In March 2010, the FT took out a loan in the sum of £5 million from the Department of Health Foundation Trust Financing Facility for the specific purpose of funding expenditure on the new radiotherapy treatment centre at Aintree which became operational in February 2011.

In November 2019, a £37m loan was taken out from the Department of Health to contribute towards expenditure for the new build hospital in Liverpool.

## 15. Finance lease obligations

	Group / FT	
	31 March 2020 £000	31 March 2019 £000
Gross lease obligations		
- Not later than one year	<b>56</b>	53
- later than one year and not later than 5 years	<b>0</b>	56
- later than 5 years	<b>0</b>	0
	<b>56</b>	109
Net lease liabilities		
- Not later than one year	<b>56</b>	53
- later than one year and not later than 5 years	<b>0</b>	56
- later than 5 years	<b>0</b>	0
	<b>56</b>	109

These finance leases relate to IM&T equipment purchased in 2015-16 for the EPR project.

## 16. Provisions for liabilities and charges

	Group		FT	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
Legal claims	229	263	229	263
Redundancy	0	0	0	0
Other	110	87	4	4
<b>Total current provisions</b>	<b>339</b>	<b>350</b>	<b>233</b>	<b>267</b>
Other	121	0	121	0
<b>Total non-current provisions</b>	<b>121</b>	<b>0</b>	<b>121</b>	<b>0</b>

	Group			FT		
	2019/20			2019/20		
	Legal claims	Other	Total	Legal claims	Other	Total
	£000	£000	£000	£000	£000	£000
At start of period	263	87	350	263	4	267
Arising during the year	0	148	148	0	125	125
Utilised during the year	(35)	0	(35)	(35)	0	(35)
Reversed unused	0	(4)	(4)	0	(4)	(4)
<b>At end of period</b>	<b>229</b>	<b>231</b>	<b>460</b>	<b>229</b>	<b>125</b>	<b>354</b>

### Expected timing of cashflows:

Within 1 year	229	110	339	229	4	233
1-5 years	0	17	17	0	17	17
> 5 years	0	104	104	0	104	104

Legal claims consist of amounts due as a result of third party and employee liability claims. The values are based on information provided by NHS Resolution and estimates made by the FT. The FT is a member of the NHS Resolution clinical negligence scheme. All clinical negligence claims are therefore recognised in the accounts of NHS Resolution, consequently the FT will have no provision for such claims. NHS Resolution is carrying provisions as at 31st March 2020 in relation to ELS of £nil (2018-19 £nil) and in relation to CNST of £2,946k (2018-19 £1,813k) making a total of £2,946k (2018-19 £1,813k).

## 17.1 Revaluation Reserve

	Group / FT	
	2019/20	2018/19
	Property, Plant & Equipment £000	Property, Plant & Equipment £000
<b>Revaluation reserve at 1 April</b>	<b>8,494</b>	<b>7,839</b>
Revaluations	(3,266)	922
Transfers to other reserves	(665)	(267)
<b>Revaluation reserve at 31 March</b>	<b>4,562</b>	<b>8,494</b>

## 17.2 Charitable Funds Reserve

	Group	
	31 March	31 March
	2020	2019
	£000	£000
Restricted Funds	955	824
Unrestricted Funds	1,922	7,472
	<b>2,877</b>	<b>8,296</b>

The restricted funds have arisen as they are donations which the donor has specified the income to be used for a particular purpose.

## 18. Cash and cash equivalents

	Group	FT
	2019/20	
	£000	£000
Balance at 1 April	84,260	72,963
Net change in year	(39,459)	(43,664)
<b>Balance at 31 March</b>	<b>44,802</b>	<b>29,299</b>
<b>Broken down into:</b>		
Commercial banks and cash in hand	10,294	3
Cash with Government Banking Service	19,507	14,297
Deposits with the National Loan Fund	15,000	15,000
	<b>44,802</b>	<b>29,299</b>

## 19. Related Party Transactions

The Clatterbridge Cancer Centre NHS Foundation Trust is a public interest body authorised by NHS Improvement, the independent regulator for NHS Foundation Trusts. It is part of a Group along with the Clatterbridge Cancer Charity, the Clatterbridge Pharmacy Limited, and Clatterbridge PropCare Services Limited. The FT has transactions with each of its subsidiary companies.

During the year none of the Board Members or members of the key management staff, or parties related to them, have undertaken any material transactions with the Group.

The Register of Interests for the Board of Governors for 2019-20 has been compiled in accordance with the requirements of the Constitution of The Clatterbridge Cancer Centre NHS Foundation Trust.

In 2012-13, Liverpool Health Partners Ltd, a company limited by guarantee, was set up between the University of Liverpool, Aintree University Hospital NHS FT, Alder Hey Children's NHS FT, The Clatterbridge Cancer Centre NHS FT, Royal Liverpool and Broadgreen University Hospitals NHS Trust, Liverpool Women's NHS FT, The Walton Centre NHS FT, Liverpool Heart and Chest NHS FT and Liverpool School of Tropical Medicine. The objects of the company are to advance education, health, learning and research by facilitating world class research among the partners. Each organisation has a single share in the company and the Chief Executives are ex-officio directors of the company.

The Department of Health is the parent department of the Clatterbridge Cancer Centre NHS Foundation Trust. The main entities within the public sector with which the body has had dealings are NHS England, Liverpool University Hospitals NHS Foundation Trust, Liverpool CCG, Wirral CCG, HMRC, NHS Pensions Scheme and National Loans Fund.

### Related party transactions:

	Group / FT			
	2019/20		2018/19	
	Revenue £000	Expenditure £000	Revenue £000	Expenditure £000
Non-consolidated associates	3,452	179	2,239	217
<b>Total transactions with related parties</b>	<b>3,452</b>	<b>179</b>	<b>2,239</b>	<b>217</b>

	Group / FT			
	31 March 2020		31 March 2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Non-consolidated associates	1,479	194	813	198
<b>Total balances with related parties</b>	<b>1,479</b>	<b>194</b>	<b>813</b>	<b>198</b>

Clatterbridge PropCare Services Limited (PropCare) is a wholly owned subsidiary of the Trust. PropCare will provide a fully managed suite of healthcare facilities, including the new cancer centre in Liverpool, for use by the Trust in return for a unitary charge payment. PropCare provides value to the Trust through its specific estates focus and through its ability to manage construction and operational risk for Trust, enabling the Trust board to focus on clinical matters. Whilst ownership of the buildings and fixed equipment will remain with the Trust, PropCare occupies the sites in order to construct and operate the facilities under a non-exclusive licence. PropCare is funded by loans and share capital from the Trust, which are intended to cover the capital cost of the new cancer centre and refurbishment of the existing facilities. PropCare will be responsible for repaying the loans from the income received via the unitary charge as well as distributing returns to the Trust through dividends. The Trust has provided a financial guarantee to Laing O'Rourke on behalf of PropCare in relation to the construction contract for the new cancer centre.

The Clatterbridge Pharmacy Limited (CPL) is a wholly owned subsidiary of the Trust. CPL is registered as a pharmacy with the General Pharmaceutical Council and offers a range of over-the-counter medicines as well as other healthcare products. In addition to these traditional pharmacy services, CPL provides specialist cancer dispensing services to help patients manage their healthcare and medicines in one place. CPL provides value to the Trust by delivering a more personalised and efficient experience for our patients. The main related party transactions between the Trust and CPL relate to the purchase and sale of drug consumables.

## 20.1 Financial assets by category

	Group	FT	Group	FT	Group	FT
	Financial instruments at amortised cost		Investments in equity instruments designated at fair value through OCI		Total	
	£000	£000	£000	£000	£000	£000
Trade and other receivables - with NHS and DH bodies	19,756	19,301	0	0	19,756	19,301
Trade and other receivables - with other bodies	7,558	21,755	0	0	7,558	21,755
Other investments / financial assets	519	519	0	0	519	519
Cash and cash equivalents	35,435	29,299	0	0	35,435	29,299
NHS Charitable funds: financial assets	9,379	0	1,101	0	10,480	0
<b>Total at 31 March 2020</b>	<b>72,646</b>	<b>70,874</b>	<b>1,101</b>	<b>0</b>	<b>73,748</b>	<b>70,874</b>
Trade and other receivables - with NHS and DH bodies	19,659	17,747	0	0	19,659	17,747
Trade and other receivables - with other bodies	3,831	9,491	0	0	3,831	9,491
Other investments / financial assets	1,174	1,174	0	0	1,174	1,174
Cash and cash equivalents	76,692	72,963	0	0	76,692	72,963
NHS Charitable funds: financial assets	7,598	0	1,236	0	8,834	0
<b>Total at 31 March 2019</b>	<b>108,954</b>	<b>101,375</b>	<b>1,236</b>	<b>0</b>	<b>110,190</b>	<b>101,375</b>

## 20.2 Financial liabilities by category

	Group	FT
	Other Financial Liabilities	
	Financial instruments at amortised cost	
	£000	£000
Borrowings excluding finance leases	37,475	37,475
Obligations under finance leases	56	56
Trade and other payables - with NHS and DH bodies	11,915	10,811
Trade and other payables - with other bodies	24,590	21,378
NHS Charitable funds: financial liabilities	5	0
<b>Total at 31 March 2020</b>	<b>74,041</b>	<b>69,719</b>
Borrowings excluding finance leases	39,212	39,212
Obligations under finance leases	109	109
Trade and other payables - with NHS and DH bodies	15,231	14,997
Trade and other payables - with other bodies	21,814	11,707
NHS Charitable funds: financial liabilities	6	0
<b>Total at 31 March 2019</b>	<b>76,372</b>	<b>66,025</b>

## 20.3 Fair Values

Set out below is a comparison, by category, of book values and fair values of the Group's non-current financial assets and liabilities. Fair values have been calculated using the Treasury discount rate of 3.7% over the repayment period of the loan.

There has been no impairment of financial assets, other than bad debt expense shown in note 11.2.

Other investments all relate to the Charity.

	Group				FT			
	31 March 2020		31 March 2019		31 March 2020		31 March 2019	
	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000
<b>Financial assets</b>								
Other investments	1,101	1,101	1,236	1,236	0	0	0	0
Other financial assets	0	0	0	0	124,317	75,817	78,815	52,499
	1,101	1,101	1,236	1,236	124,317	75,817	78,815	52,499

	Group				FT			
	31 March 2020		31 March 2019		31 March 2020		31 March 2019	
	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000
<b>Financial liabilities</b>								
Loan 1	2,500	2,500	2,750	2,750	2,500	2,500	2,750	2,750
Loan 2	34,780	34,780	36,260	36,260	34,780	34,780	36,260	36,260
Other liabilities	0	0	0	0	126,083	85,231	84,723	55,395
	37,280	37,280	39,010	39,010	163,363	122,511	123,733	94,405

## 21. Losses and Special Payments

	Group / FT			
	2019/20		2018/19	
	Number	£000	Number	£000
Losses of cash	4	0	0	0
Bad debts and claims abandoned in relation to: other	0	0	8	55
Ex gratia payments in respect of: personal injury with advice	1	3	1	3
	5	3	9	58

The FT's losses and special payments are on an accruals basis and do not include any provisions for future losses.



## 22. Financial Instruments

IFRS 7, IAS 32 and IFRS 9, Accounting for Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Clatterbridge Cancer Centre NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the FT neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the FT in undertaking its activities.

As allowed by IFRS 7, IAS 32 and IFRS 9 debtors and creditors that are due to mature or become payable within 12 months from the balance sheet date have been omitted from all disclosures other than the currency profile.

### Liquidity risk

The FT's income is negotiated under agency purchase contracts with NHS England, which are financed from resources voted annually by Parliament. The FT receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to a National / Local Tariff unit cost.

For 2019-20, the FT has negotiated a one year block contract with its main commissioner for activity delivered. The FT receives cash each month on the agreed level of the contract value. This has allowed the FT to minimise the risk to its main source of income.

The FT presently finances most of its capital expenditure from internally generated funds. In 2009/10 the FT borrowed £5 million from the Department of Health Financing Facility specifically to finance part of the construction of the new Radiotherapy Centre at Aintree. In 2018/19 the FT borrowed a further £37 million from the Department of Health Financing facility to part fund the new build in Liverpool.

There have not been any material changes to the FT or Group risk on the previous year.

### Market risk

This is not applicable to the FT or Group.

### Interest rate risk

The only asset or liability subject to fluctuation of interest rates are cash holdings at the Government banking service and at a UK High street bank. The loans from the Department of Health Financing Facility have been taken on a fixed rate basis to avoid any risk from interest rate fluctuations. The FT is not, therefore, exposed to significant interest rate risk.

### Foreign currency risk

The FT has negligible foreign currency income, expenditure, assets or liabilities.

### Credit Risk

The FT has considered credit risk under IFRS 7, and concluded that there is a small amount of risk from non-payment of the loan to PropCare.

## **23. Auditors Liability**

The auditors liability for losses in connection with the external audit is limited to £2,000,000.

## **24. Third Party Assets**

The FT did not hold any money on behalf of patients in either 2019-20 or 2018-19.

Cash and cash equivalents in the group are available for use with the exception of any cash and cash equivalents ring-fenced in the charity accounts as restricted funds.

## **25. Retirement benefits**

The FT is a member of a defined benefit scheme.

## **26. Events after reporting period.**

There are no post balance sheet events.

## **27. Contingent Assets and Liabilities**

There are eight contingent liabilities with a total value of £7k (2018-19 six contingent liabilities with a total value of £16k).