



St Helens and Knowsley
Teaching Hospitals
NHS Trust



Annual Report
2016 - 2017

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1. Performance Report

This section provides the reader with information on the organisation, its purpose, how it has performed in 2016-17, and the key risks to the achievements of its objectives.

Overview

Statement from the Chief Executive

2016-17 was another challenging year for the NHS as a whole, and yet despite this, there were many notable successes within the Trust.

Our vision is to deliver 5 Star Patient Care by providing high quality health services and an excellent patient experience. The following bullet points highlight some of the exceptional achievements:

- Staff across the Trust were enormously proud of the extremely positive Care Quality Commission (CQC) Report at the end of 2015-16, with care rated as outstanding throughout the Trust. This rating remained in place during 2016-17
- Patients consistently received above 98% new harm-free care which is better than neighbouring Trusts and above the national mean
- There was a 17% reduction in falls resulting in moderate or severe harm and a 23% reduction in the number of Clostridium Difficile infections
- The Trust achieved over a 95% fill rate for nurses on the safer-staffing measures
- The Trust was rated in the top 5 for patient experience (CHKS Top Hospitals Best in the UK awards)
- In the Patient Led Assessments of the Care Environment (PLACE) the Trust had the 2nd highest score for an acute Trust
- The Trust was the top national performer for frontline staff take up of the flu vaccination (82%)
- 95.5% of inpatients would recommend our services, as recorded by the Friends and Family Test
- We sustained our excellent performance in the Sentinel Stroke National Audit Programme, and 93.8% of stroke patients spent at least 90% of their hospital stay on the Stroke Unit
- We sustained achievement of the cancer performance targets against the national standards with patients rating the Trust 8.9 out of 10 for overall cancer care (above the national average)
- We received extremely positive national staff survey results with the Trust being best in the North West for overall staff engagement, and having the best score nationally for 8 out of 32 key findings

Whilst we did not achieve all the targets we set ourselves we continue to learn from our experiences and use them to improve our performance going forward.

With regards to demand for our services, non-elective patient activity continued above contract levels. The percentage bed occupancy within the Trust throughout winter was in the high 90s meaning that frequently patients attending A&E at night and requiring a bed could not be accommodated until timely discharges occurred the next morning. This pressure resulted in suboptimal patient experiences but also impacted on the elective programme where potential delays to treatment and cancelled admissions were a continual challenge. However, notwithstanding

these difficulties, all required targets for treating elective patients within prescribed deadlines and cancer waiting times were achieved.

The ongoing national shortage of clinical staff and the need to react to unplanned fluctuations in demand necessitated the ongoing use of bank and agency staff, and overtime. However, the Trust did achieve a 12% reduction in agency expenditure over the previous year. Our efforts to recruit from overseas showed successes late in the year, where over a dozen high calibre nurses from India passed the required entrance exams to commence work here. In addition, the links formed with medical schools abroad continued enabling us to attract good quality junior doctors to join the Trust.

I would like to formally record my gratitude for the dedication of all our staff, who work tirelessly to ensure the best possible care for our patients, supported by our volunteers and carer groups whose involvement is generously provided and always gratefully received.

Ann Marr

Ann Marr
Chief Executive

The purpose and activities of the Trust

The Trust provides acute healthcare services at St Helens and Whiston hospitals, both of which are modern, high quality facilities.

The Trust has an excellent track record for providing high standards of care to a population of approximately 350,000 people across St Helens, Knowsley, Halton, Liverpool and further afield. In addition, the Mersey Regional Burns Unit provides treatment for patients across Merseyside, Cheshire, North Wales, the Isle of Man and other parts of the North West, serving a population of over 6.5 million.

The Trust employed an average of 4,701 full time equivalent (FTE) staff during 2016-17 (including 330 temporary staff).

The Trust's income in 2016-17 was £350m.

Our catchment population

The local community is characterised by its industrial past, with the local population being generally less healthy than that of the rest of England, and a higher proportion of people suffering from a long-term illness.

Rates of smoking, cancer, obesity, and heart disease, related to poor general health and nutrition, are significantly higher than the national average.

Many areas have high levels of deprivation. This has contributed to sizeable health inequalities among residents, who have greater need for health and social care services.

Collaborative working

The increasingly older population is putting further strains on health and social care services, and it is widely acknowledged that the current configuration of such services will be unable to meet the growth in demand for healthcare in the future.

The Trust remains committed to delivering safe and high quality care for the population it serves and the opportunities presented by the Five Year

Forward View planning process are being actively embraced. This involves working with partners and engaging with stakeholders across the health economy to develop alternative service delivery models, innovative workforce practices and redesigning care pathways.

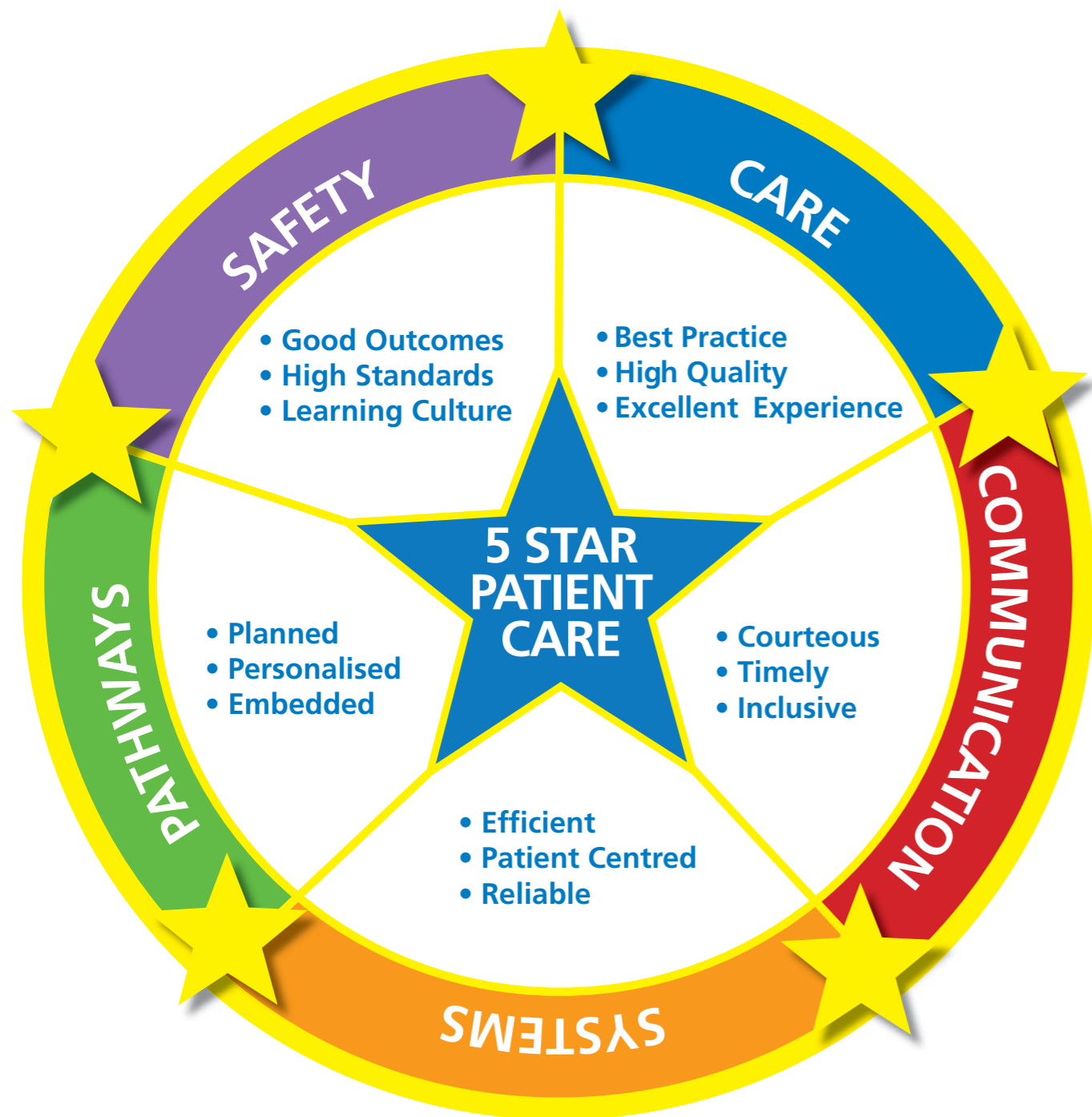
Working across larger footprints provides a critical mass of expertise and resources that are more likely to produce pioneering medical advancements that can be adopted locally.

Measures are being put in place to improve wellbeing and reduce demand by well-structured health promotion. In addition, commissioners, local authorities and provider partners are coming together to develop new accountable care systems that focus on the health needs of local people. The Trust will be working with partners to shape these emerging care systems principally focusing on St Helens, Knowsley and Halton populations but widening the scope as other systems mature.

The Trust is playing a leading role in the Cheshire and Merseyside 5-Year Forward View programme:

- Ann Marr is Senior Responsible Officer for the Alliance Local Delivery System within Cheshire and Merseyside. This comprises 4 Clinical Commissioning Groups (CCGs) and 5 NHS Provider Trusts serving a population of c 900,000
- Nik Khashu, Director of Finance, is the Senior Responsible Officer for corporate services for the whole of the Cheshire and Merseyside footprint
- Kevin Hardy, Medical Director, is leading the review of the urgent and emergency care services for the Alliance LDS
- Rob Cooper, Director of Operations, is pursuing the establishment of streamlined pathology services for the three Alliance LDS acute trusts
- The Trust has contributed Programme Director resource to the Alliance LDS in order to co-ordinate the complex portfolio of projects and programmes

Trust Vision



The Trust's objectives

The Trust's vision is to deliver 5 Star Patient Care by providing an excellent patient experience through high quality health services.

This vision underpins the Trust's objectives which set out plans for improving safety, care, systems, communication and pathways of treatment, supported by robust operational and financial performance.

These objectives are reviewed each year, reflecting national and local goals, the views of our stakeholders, carers, patients and staff plus the Trust's own development plans. They are captured in the "Star Chart" which can be seen on noticeboards throughout the Trust.

The use of a familiar format for displaying these objectives since 2005 has ensured that staff throughout the organisation recognise the Trust's high-level aims and can understand how they individually contribute towards their achievement.

The objectives are launched each year at the Start of Year Conference in which the Chief Executive summarises events from the previous year and gives a flavour of what is to come. Each objective is owned at a senior level by a Board Director and they are cascaded to teams and individuals to form the basis of personal objectives for all staff.

Twice annually, the Trust Board formally reviews progress against these objectives and initiates actions where necessary to ensure success and compliance.

The objectives for 2017-18 are visible in poster form throughout the Trust buildings and are available in full on the Trust's website at: www.sthk.nhs.uk/about/trust-publications/trust-objectives.

A summary is provided in the following table:



5 STAR PATIENT CARE - Care

We will deliver care that is consistently high quality, well organised, meets best practice standards and provides the best possible experience of healthcare for our patients and their families

- Through improved planning we will bring forward the time of patient discharges so that at least a third leave hospital by midday with the appropriate medication and care packages in place
- In support of "Johns Campaign" we will ensure that carers of people with dementia are welcomed to spend as much time with patients as they want to and be involved in their care
- We will actively seek opportunities to reduce variation in standards of care delivery

5 STAR PATIENT CARE - Safety

We will embed a culture of safety improvement that reduces harm, improves outcomes and enhances patient experience. We will learn from mistakes and near-misses and use patient feedback to enhance delivery of care

- We will take active measures to improve safety and clinical outcomes particularly in the areas of infection control, falls and pressure ulcers ensuring that lessons are learned and appropriate actions implemented throughout the Trust
- We will ensure that incidents are reviewed within 72-hours of their occurrence and clear action plans are in place to prevent recurrence, which are widely shared
- We will implement a new system for learning from hospital deaths, using best-practice national guidance

5 STAR PATIENT CARE - Pathways

As far as is practical and appropriate, we will reduce variations in care pathways to improve outcome, whilst recognising the specific individual needs of every patient

- We will increase the scope of emergency ambulatory care pathways to reduce non-elective admissions ensuring they are embedded and accessible
- We will implement a new midwifery-led care pathway for women having low risk births
- We will achieve the planned benefits from taking over the management of adult community services in St Helens

5 STAR PATIENT CARE - Communication

We will respect the privacy, dignity and individuality of every patient. We will be open and inclusive with patients and provide them with more information about their care. We will seek the views of patients, relatives and visitors, and use this feedback to help us improve services

- We will pursue improvements in the systems used to investigate and respond to complaints and strive to respond to 90% within the agreed timescale. We will ensure that lessons are learned and shared
- We will review and improve patient information and communications ensuring that we are delivering concise, clear messages regarding all aspects of the individual patient's care
- We will continue to work with patient focus groups to enable a fuller understanding of patients' and carers' views and experiences in order to respond appropriately

5 STAR PATIENT CARE - Systems

We will improve Trust systems and processes, drawing upon best practice to ensure they are efficient, patient-centred and reliable

- We will introduce a new Patient Administration System which will support improvements to the patient journey
- We will undertake benefit realisation exercises following the introduction of each new system to ensure that the planned benefits have been realised, or highlight where additional opportunities for efficiencies exist
- We will develop new systems to support clinical transformation across a wider footprint

DEVELOPING ORGANISATIONAL CULTURE AND SUPPORTING OUR WORKFORCE

We will use an open management style that encourages staff to speak up, in an environment that values, recognises and nurtures talent through learning and development. We will maintain a committed workforce that feel valued and supported to care for our patients

- We will identify creative approaches to recruitment and retention to ensure the Trust remains an employer of choice
- We will optimise the opportunities offered by the Apprenticeship Levy with innovative approaches to new roles & higher level qualifications
- We will explore opportunities for innovative ways of staff training and working to address skill shortages such as nurse and pharmacist prescribing to help overcome junior doctor shortages

OPERATIONAL PERFORMANCE

We will meet and sustain national and local performance standards

- We will achieve national performance indicators including:
 - The agreed trajectory for emergency access standards
 - Cancer treatment standards
 - 18 week access to treatment for planned care
 - Diagnostic tests completed within 6 weeks
 - Ambulance handover
- We will achieve local performance indicators including:
 - Commissioning for Quality and Innovation (CQUIN)
 - Contract performance indicators and compliance
 - Activity levels to meet Trust operational plans
 - We will use benchmarking and comparative data to highlight areas for improvement and seek to learn from best practice

FINANCIAL PERFORMANCE, EFFICIENCY AND PRODUCTIVITY

We will achieve statutory and other financial duties set by regulators within a robust financial governance framework, delivering improved productivity and value for money

- We will establish a benchmarking and reference cost group to learn from the multitude of comparative performance information and improve data shared
- We will develop capacity and demand modelling capability at divisional level and ensure a consistent approach to service development proposals using regular source information
- We will continue to review the opportunities for running non-clinical back-office functions and other services across a wider footprint where economies of scale can be demonstrated

STRATEGIC PLANS

We will work closely with NHS Improvement (NHSI), and commissioning, local authority and provider partners to develop proposals to improve the clinical and financial sustainability of services

- We will foster positive working relationships with health economy partners and help create the joint 5-year strategic vision for health services across wider footprints
- We will collaborate with partners in reviewing integrated patient pathways which offer alternative ways of working to the benefit of patient care, safety and efficiency of services
- We will meet all the compliance requirements set by NHSI for long-term sustainability of the Trust's clinical services, collaboratively with partners where appropriate

Our 2017-18 objectives cover all aspects of patient care, our staff, use of resources and our longer-term plans for sustainability. These objectives are demanding but we know that our staff will strive to do their part to achieve a positive result for the benefit of patients, visitors and work colleagues.

The Chief Executive's opening statement highlights some of the key pressures facing the Trust. These include staffing, activity and financial challenges which could present a risk to the Trust's ability to fully meet all its objectives.

The Trust's approach to managing risks is covered in detail within the Governance Statement later in this document. However, in summary, it is founded on an effective IT recording system which all senior managers can use to document risks; gauge their potential impact; capture appropriate plans in mitigation; and share across the organisation.

Going concern

The Directors have a reasonable expectation that the 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. This approach has been approved by the Audit Committee.

Performance Analysis

Key performance measures

The level and types of clinical activity for 2016-17, compared to 2015-16, are detailed in the following table:

	2015-16	2016-17	Variation
Activity Type	(000's)	(000's)	%
Outpatient 1st attendances	133.2	140.6	5.5%
Outpatient follow-up attendances	299.2	314.9	5.2%
Ward attenders	15.8	17.3	9.4%
Outpatient procedures	98.1	100.5	2.5%
Elective inpatients	7.0	7.3	3.8%
Daycase	38.5	41.5	7.8%
Non-elective inpatients (less Obstetrics)	47.7	51.6	8.1%
A&E attendances	103.9	103.3	-0.6%
Births	3.9	4.1	4.1%

As can be seen, with the exception of A&E attendances, which flat-lined from 2015-16, all other activity headings showed an increase. In particular non-elective admissions rose significantly, possibly supporting the view that patients attending A&E are more acute and in need of secondary care. This also resonates with elective admissions that have shown an increase despite measures implemented part way through the year by commissioners to implement management systems to reduce referrals to hospitals.

Key performance against national targets in 2016-17 is provided in the following table:

Summary of key national targets 2016-17	Target	Perform.
Emergency Department waiting times within 4 hours	95.0%	85.1%
% of patients first seen within two weeks when referred from their GP with suspected cancer	93.0%	95.0%
% of patients receiving first treatment within 31 days from diagnosis of cancer	96.0%	97.9%
% of admitted patients treated within 18 weeks of referral	92.0%	93.5%
% of patients treated within 28 days following a cancelled operation	100.0%	100.0%
Number of Hospital Acquired MRSA bacteraemia incidences	0	3
Number of Hospital Acquired C. Difficile incidences	41	23
% of patients admitted with a stroke spending at least 90% of their stay on a stroke unit	83.0%	93.8%
Staff sickness	4.5%	4.9%

It is testament to the hard work of Trust staff that, despite escalating activity in our hospital buildings already nearing their capacity, the Trust performed exceptionally well in a great many respects, as captured in the Chief Executive's opening statement.

Each month, the Trust produces an Integrated Performance Report (IPR) which charts performance against over 800 measures. Some of these reflect national and constitutional targets, some are local to this health economy, and some are internally generated to reflect Trust objectives. Summaries of these reports can be accessed on the Trust's website within regular Board papers at: www.sthk.nhs.uk/about/trust-board/trust-board-papers-2016

Whilst this section provide some indicators of the Trust's performance in 2016-17, more detailed data on quality achievements is presented in the Trust's Annual Quality Account available on our website at: www.sthk.nhs.uk/about/trust-publications/quality-accounts



Financial performance

For the financial year 2016-17, the Trust received £350m of income. At the start of the year, the Trust submitted a plan for a £3.3m surplus which was predicated on receiving the full allocation of £10.1m from the Sustainability and Transformation Fund (STF).

The Trust delivered the financial and operational standards required and was awarded two further sums from the STF, namely an Incentive of £0.427m and a bonus of £1.083m, enabling the Trust to deliver an improved financial position of a £4.861m surplus.

Further cash support of £2.5m was provided by the Department of Health (DH) in March 2017, which relates to the delayed Quarter 4 STF payment from NHSI and brings the total cash support balance to £5.05m. This is in the form of a revenue support loan facility which attracts 1.5% interest each year with the principal amount being re-payable by January 2020.

The Trust has an effective financial governance framework in place, supported through independent external and internal scrutiny. In 2016-17, Grant Thornton UK LLP provided independent external assurance that the Trust is properly accounting for public money; that it is efficient and effective in its use of resources; and that there is continual improvement in the delivery of health services.

Income

Of the income received by the Trust £280m (80%) came from patient-related activities. The largest contribution of £112m was from St Helens Clinical Commissioning Group (CCG).

The remaining 20% came from three sources: NHS North West Deanery for the education and training of junior doctors; services provided to other organisations; and Private Finance Initiative (PFI) support funding.

Expenditure

The Trust strives to secure better value and become more efficient each year, thereby freeing up resources for direct patient care. In this regard, the Trust delivered £15m of savings through its Cost Improvement Programme in 2016-17.

A robust Quality Impact Assessment is undertaken for all proposed saving initiatives to ensure they do not inadvertently impact on the quality of the care provided, the clinical outcomes, or patient experiences. It is only following a successful conclusion of this process that approval to proceed is provided by the Trust's medical and nursing Directors.

In 2016-17, the Trust's capital expenditure was £3.5m primarily for the provision of new and replacement equipment.

Use of Resources Rating (URR)

With effect from October 2016, the Financial Sustainability Risk Rating, used in the 2015-16 report was amended and renamed the Use of Resources Rating. There are now five equally-weighted metrics: liquidity ratio; capital servicing capacity; I&E margin; I&E margin variance from plan; and performance against the planned agency ceiling.

The overall risk rating ranges from 1 to 4, where 4 represents the highest level of financial risk. The rating also has an override methodology which means:

- Scoring a 4 on any metric returns an overall rating no better than 3
- A provider in financial special measures will score a 4 overall
- A provider without an agreed control total can score no better than a 3 for a planned deficit or 2 for a planned surplus

The Trust is currently at level 3, primarily reflecting our assets and liabilities from our two PFI funded hospital sites.

Going forward the Trust's longer-term plans will focus on improving this rating by increasing financial surpluses through greater efficiency, and by creating larger cash balances.

Sustainable development

The NHS contract requires providers to take all reasonable steps to minimise their adverse impact on the environment, and demonstrate their progress on climate change adaptation, mitigation and sustainable development.

The Trust's Board approved Sustainable Development Management Plan, covering the organisation's vision, its action plan, monitoring arrangements and accountability for ensuring delivery is available on the Trust website: www.sthk.nhs.uk/about/Documents/STHKMay2015InternetBoardPapers.pdf

The 2008 Climate Change Act requires an 80% reduction in carbon emissions throughout the UK by the year 2050. For the Trust, this means it must achieve a CO₂e reduction of 55,385 tonnes. Some of the key components of the Trust's carbon footprint are energy (21%), medical equipment (19%), paper products (12%), and waste disposal (6%).

The Trust's Sustainability Action Group meets each month to explore opportunities for savings. The following paragraphs summarise some initiatives considered over the last year:

- Revised waste disposal categories started to roll out across Whiston Hospital, following completion at St Helens Hospital, which will ensure compliance with legislation, reduce waste breaches, and save money
- A chemical dosing system to address pseudomonas in drinking water has been extended reducing the requirement for flushing water tanks. Specific water safety training has been provided to augmented care units to reduce risks to patients
- Reductions in mechanical ventilation systems, in non-critical areas with natural ventilation, have been introduced saving the Trust circa £37k per annum and other opportunities are under consideration
- The scheme to install a Combined Heat and Power and Heat Recovery System in Whiston Hospital should be completed in mid-2017-18, which will reduce annual carbon emissions by 3,000 tonnes and save the Trust £480k per year
- Overnight lighting shut-down in non-clinical areas has been introduced. The scale of savings has yet to be fully assessed



Accountability Report

Corporate Governance Report

This section provides the reader with information on the composition and organisation of the Trust's governance structures and how they support the achievement of objectives.

Directors Report

The Board of Directors

The Trust is managed by a Board of Directors that consists of both Executive and Non-Executive Directors (NED) with a Non-Executive Chairman. The composition of the Board during 2016-17 was as follows:

	Position	Name	Term of Office	Committee Membership
Non-Executive Directors	Chairman	Richard Fraser	Appointed May 2014 & 2016	Remuneration
	Deputy Chairman / SID	Bill Hobden	Appointed Jun 2009, 2013 & 2016 / Left Mar 2017	Audit / Remuneration
	Non-Executive Director	Denis Mahony	Appointed Aug 2012 & 2016	Charitable Funds / Finance & Performance / Remuneration
	Non-Executive Director	Su Rai	Appointed Sept 2012, 2014 & 2016	Audit / Finance & Performance / Remuneration
	Non-Executive Director	George Marcall	Appointed Apr 2013 & Sept 2016	Audit / Finance & Performance / Quality / Remuneration
	Non-Executive Director	David Graham	Appointed Dec 2014 & 2016	Quality / Remuneration
Executive Directors	Chief Executive	Ann Marr	Appointed Jan 2003	Executive / Quality
	Director of Human Resources	Anne-Marie Stretch	Appointed Jul 2003	Executive / Quality
	Medical Director	Kevin Hardy	Appointed Nov 2012	Executive / Finance & Performance / Quality
	Director of Nursing Midwifery and Governance	Sue Redfern	Appointed May 2013	Executive / Quality
	Director of Finance	Nik Khashu	Appointed Oct 2015	Executive / Finance & Performance / Quality
Associate Directors	Director of Service Modernisation	Ian Stewardson	Appointed Jun 2003 / Seconded Jan 2016 / Left Jan 2017	
	Director of Corporate Services	Peter Williams	Appointed Aug 2006	Executive
	Director of Informatics	Christine Walters	Appointed Sept 2015	Executive
	Director of Operations and Performance	Paul Williams	Appointed Jul 2014 / Left Jun 2016	Executive / Quality / Finance & Performance
		Rob Cooper	Appointed Jan 2017	
Associate NED	Sarah O'Brien	Appointed Apr 2015 / Left Mar 2017	Quality	

The six Non-Executive Directors and five Executive Directors detailed in the table above are voting members ensuring that in the event of a vote the balance lies with the non-executive element.

Directors are appraised each year to review their input to progress over the previous twelve months and to set objectives linked to those of the Trust for the following year. The Chairman is appraised an officer of NHSI.

Any skills gaps and training and development requirements are also agreed to ensure continuous improvement of the unitary board.

Under the Trust's standards of business conduct, Directors and senior staff are required to declare any interests which are published annually on the Trust's website. Those declared for 2016-17 are available through the following link: www.sthk.nhs.uk/about/trust-board

Fit and Proper Persons Requirement (FPPR)

The 2014 Health and Social Care Act imposed additional requirements on the posts of Directors to be 'Fit and Proper Persons'. In assessing whether a person is of good character, the matters considered must include convictions, whether the person has been struck off a register of professionals, bankruptcy, sequestration and insolvency, appearing on barred lists and being prohibited from holding directorships under other laws. In addition, Directors should not have been involved or complicit in any serious misconduct, mismanagement or failure of care in carrying out an NHS regulated activity.

For 2016-17, Board members were required to complete a self-certification to confirm their compliance with these standards, and where appropriate external assessments, including Disclosure and Barring Service (DBS) checks were undertaken. The results were scrutinised by the Trust Chairman who concluded that the Board members were, and remain, fit to carry out the roles they are in.

Statement on disclosure to auditors

So far as the Directors are aware, at the time of approving this Annual Report there is no relevant audit information of which the Trust's auditor is unaware. In addition, the Directors have taken steps to make themselves aware of any relevant audit information to establish that the Trust's auditor is aware of that information.

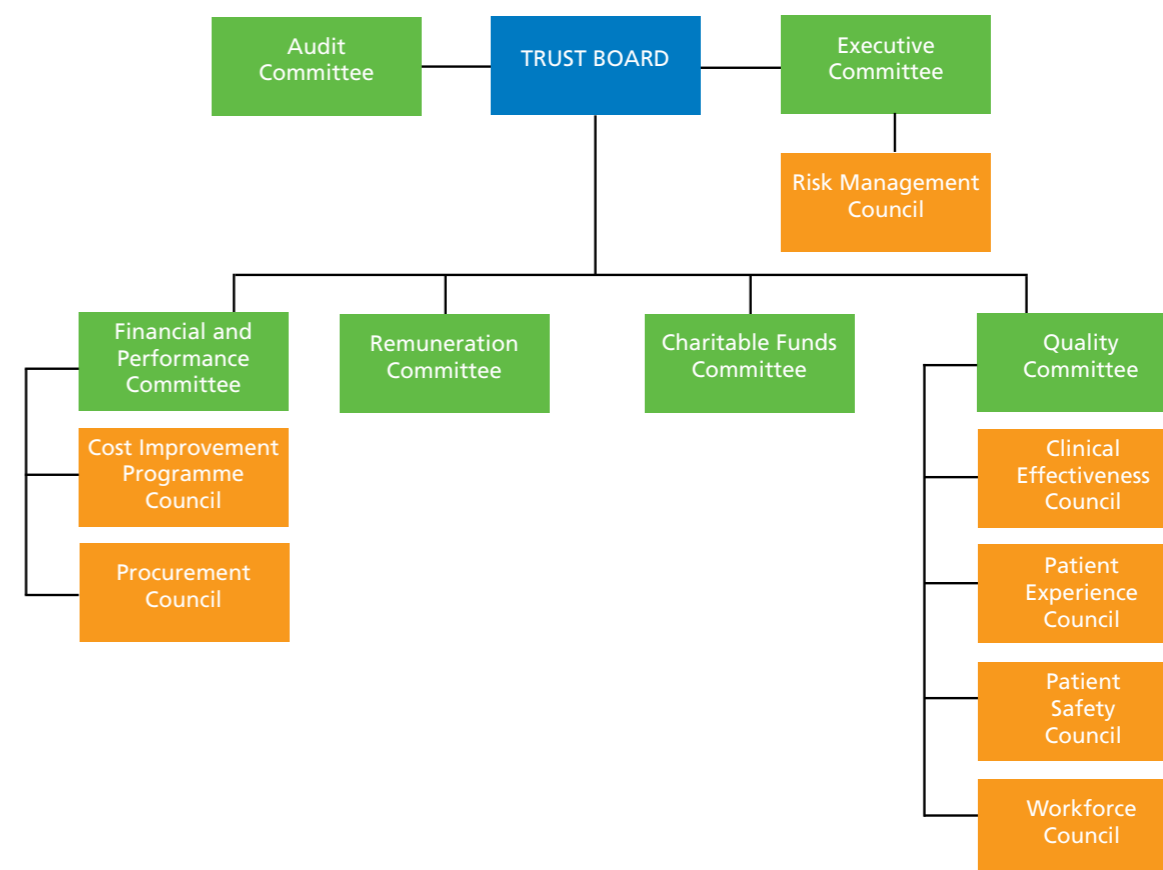
This information has been shared with the Trust's Auditors who have supported the conclusions reached and confirmed that they could find no relevant audit information to the contrary.

The Trust has a duty to report any incident regarding the loss of personal data to the Information Commissioners Office, and the one such incident occurring in 2016-17 is covered in the Governance Statement of this Annual Report.

Governance Statement

Governance organisational structure

The Trust has six Committees, some with supporting Councils, reporting to the Board in line with the following structure:



With the exception of the Executive Committee, chaired by the Chief Executive, each is chaired by a Non-Executive Director. After each meeting, the respective chair prepares a report to the Trust Board on matters considered on the agenda, the areas where assurance is being provided, and any issues requiring escalation for Board intervention.

Remuneration Committee

The Remuneration Committee is comprised of the Chairman and all five Non-Executive Directors.

Its duties include approving the remuneration and terms of service for the Chief Executive and Executive Directors, and to consider the appointment of Executive Directors and other very senior managers.

The Committee met in October 2016 and March 2017.

Audit Committee

The Audit Committee has a membership of three Non-Executive Directors, one of whom is a qualified accountant, and the others have commercial and business experience at a senior level.

In addition, the Trust's external and internal auditors along with the Director of Finance are regularly invited to attend. In 2016-17, the Committee met on four occasions, and the Chief Executive attended on one occasion.

The Audit Committee provides the Trust Board with independent and objective scrutiny of the financial systems and processes, risk management, and compliance with relevant legislation. The committee also monitors and reviews clinical audit effectiveness.

Through the agreement of an annual programme of independent audits, the committee gains assurance that the data being provided to the Board, on which decisions are based, is accurate and complies with guidance.

This programme includes annual audits of the governance assurance framework, financial systems, critical IT applications, data quality, CQC, and workforce data, to ensure that the quality and accuracy of information provided to the Board is sufficiently robust to provide assurance.

Quality Committee

Performance within the Trust is measured against a range of parameters, including those related to activity levels, quality of care, staffing and finance. This is captured each month in an Integrated Performance Report (IPR), which incorporates commentary from senior management to aid understanding of the performance data. This commentary also seeks to identify links between factors such as staffing

numbers, costs, activity levels and performance to turn raw data into information that can be used to support decision making.

The Quality Committee meets each month (excluding August and December) to review all aspects of quality, including relevant performance standards within the IPR.

This committee also ensures that the content of the Quality Account is appropriate for publication and for presentation to the appropriate Local Authority Overview and Scrutiny Committees established to review and analyse decisions which affect their residents.

As detailed in the previous organisational chart, the committee is supported by a number of councils that consider in great detail issues concerning patient safety and experience as well as clinical effectiveness and workforce matters. Chairs reports from each of these councils are reported to the committee which include any matters for escalation.



Like the Quality Committee, this Committee meets each month (excluding August and December) and reviews the IPR in detail, however, their focus is on performance against financial and activity targets.

Deep dives into the Trust's Cost Improvement Programme, to ensure that there are no unintended consequences from efficiency savings is a key role, along with exploring Service Line Management and the relative productivity of clinical services.

The committee is supported in its work by a number of councils and working groups that undertake detailed reviews to ensure that the data received by the committee is robust, and provides the appropriate basis for management decision making. For example, the Management Information and Technology Group ensures that the data being presented to the Trust through the IPR related to performance, pathways, activity, service quality and elective waiting times is accurate.

Charitable Funds Committee

The Trust's Charitable Funds Committee meets at least three times a year and is responsible for managing the income and expenditure of any charitable and donated monies and assets held by the Trust.

The committee actively promotes fundraising and regular expenditure from funds and also ensures that the Trust receives a reasonable rate of interest from any investments made.

Executive Committee

The team of Executive and Associate Executive Directors, led by the Chief Executive, is the senior management decision making group within the Trust and is responsible for planning, organising, directing and controlling the organisation's systems and resources to achieve objectives and targets set by the Board.

The Executive Committee meets each week, and exercises the authority delegated to the Chief Executive and Directors to ensure that the organisation is effectively managed and that individual managers are held to account.

The committee is supported in its work by the Risk Management Council which meets on a monthly basis to ensure that risks to the organisation are appropriately managed, and where necessary escalated for more senior intervention.

The Trust has an active Information Governance Steering Group reporting to the Risk Management Council, and chaired by the Trust's Caldicott Guardian. This group ensures that the information the Trust holds, in particular personal information on behalf of patients and staff, is safeguarded at all times.

Annual meeting effectiveness review

During February and March 2017, the Board and each of its Committees undertook a meeting effectiveness review each comprising six elements:

- A review by the Chair and lead officer
- A review of the meeting structure and reporting arrangements
- A sample audit of compliance
- A review of attendance
- A members questionnaire
- A review of the Terms of Reference

The conclusion of the reviews, subsequently approved by the Audit Committee, was that the purpose, remit and organisation of the Trust Board and its Committees remains appropriate and provides the necessary assurance that the Trust is effectively and appropriately governed.

Governance framework of the organisation

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

The Board of Directors consists of a non-executive Chair, five Non-Executive Directors, a Chief Executive and four Executive Directors. A further three non-voting Associate Executive Directors and one Associate Non-Executive Director regularly attend Board meetings.

The Board has a suite of documents (the Corporate Governance Manual) which contains the Trust's standing orders, standing financial instructions, and scheme of reservation and delegation of powers, which set out the regulatory framework for the business conduct of the Trust.

High standards of governance are maintained through the independence of the Non-Executive Directors (NEDs), achieved by the following:

- All NEDs are appointed for fixed terms ensuring a regular turnover and the introduction of new skills and experience
- The non-executive membership of the Board outnumbers the executive element for all issues requiring a vote
- The NEDs (including the Trust Chairman) regularly meet separately from the Executive Directors to discuss Trust business
- The composition of the Board is managed to ensure that the NEDs have a range of skills and experience that enables them to provide constructive challenge, fully understand the business of the Trust and participate in the Trust's governance arrangements. They are therefore able to hold the Executive Directors to account for the performance and delivery of the strategic agenda set by the Board

- NEDs chair the Board and appropriate Board Committees, and through chairman reporting, provide assurance to the Trust Board that the Trust is effectively governed

2016-17 saw the following changes in the Board of Director membership:

- Paul Williams, Associate Director of Operations and Performance left the organisation in June 2016
- From December 2016, Richard Fraser, Chairman, also provided temporary cover to the vacant Chair position at Southport and Ormskirk Hospitals NHS Trust; an arrangement that is continuing at the point of writing this report
- Rob Cooper took up post as Associate Director of Operations and Performance in January 2017
- Ian Stewardson, Associate Director of Service Modernisation, on a 1-year secondment to a local CCG, left the organisation in January 2017
- Sarah O'Brien, Associate NED, left the organisation in March 2017
- Bill Hobden continued to undertake the role of Senior Independent Non-Executive Director (SID) of the Board, as well as fulfilling the Deputy Chairman role, until leaving the organisation on 31st March 2017. The temporary NED vacancy created by his departure is due to be filled in June 2017, and the arrangements for the Deputy Chair role and SID are yet to be finalised

All Directors are provided with tailored induction programmes on their commencement and this was the case in 2016-17.

The Trust Board held ten meetings in public during 2016-17. Part 2 of these meetings are held in private to discuss confidential issues such as serious untoward incidents and confidential staff matters where the Board requires evidence of the analysis undertaken, follow-up action, and

All Trust Board meetings were quorate, with appropriate attendance from all but two Directors, where exceptional circumstances prevailed. Attendance by Directors is summarised in the following table:

Board Members		Trust Board	Audit Committee	Quality Committee	Finance & Performance Committee	Charitable Funds Committee	Executive Committee	Total	Average attendance
Meetings Held		10	4	10	10	3	43		
Richard Fraser	Chairman	9						9	90%
Bill Hobden	Deputy Chairman / SID	10	4					14	100%
Denis Mahony	NED	9			6	3		18	78%
Su Rai	NED	10	4		10			24	100%
George Marcall	NED	9	3	8	7			27	79%
David Graham	NED	7		8				15	75%
Sarah O'Brien	Associate NED (to 15/03/17)	6		5				11	62%
Ann Marr	Chief Executive	10		4			35	49	80%
Anne-Marie Stretch	HR Director / Deputy CE	10		7			34	51	81%
Kevin Hardy	Medical Director	8		8	9		33	58	79%
Sue Redfern	Nursing Director	9		7			35	51	81%
Nik Khashu	Finance Director	10		6	10	2	35	63	83%
Peter Williams	Director of Corporate Services	10					38	48	91%
Christine Walters	Director of Informatics	9					30	39	74%
Paul Williams	Director of Modernisation (to 03/06/16 and from 01/01/17)	2		1	1		4	8	57%
Rob Cooper		2		2	2		9	15	75%

In order to discuss in detail key issues affecting the organisation; longer term strategic plans to ensure sustainability; and wider partnership working across the local health economy, four strategy meetings were held in 2016-17. Board Development sessions were also held throughout the year, and the topics covered are summarised in the following table:

Purpose	Provider / Lead	Date
The Alliance Local Delivery System update	Ann Marr, Chief Executive	April 2016 Strategy Board
Electronic Patient Record – evaluation of options	Christine Walters, Director of IT	June 2016 Strategy Board
Winter Plan	Sue Redfern, Director of Nursing	October 2016 Strategy Board
St Helens Community Tender	Amanda Risino, Strategy Director	
Well-led Review - Effective Chairing	NHS Providers	October 2016
Corporate Law update	Hill Dickinson LLP	
Integrated Performance Report deep dive	Nik Khashu, Director of Finance	November 2016
Strategy update	Ann Marr, Chief Executive	
Frimley Park experience	Sir Mike Aaronson	February 2017
Decontamination incident review	Sue Redfern, Director of Nursing	February 2017 Strategy Board
Future landscape	Ann Marr, Chief Executive	

To effectively carry out their duties, Board members need to be able to probe the data conveyed in formal reports to the Board and its Committees and triangulate that with the softer intelligence gained through attendance at events, staff and carer listening sessions, and ward and department visits. NEDs are encouraged to test out material provided when speaking to staff to gain that further assurance of accurate reporting of information throughout the Trust.

Hearing first-hand experiences from patients, learning from the results of patient and staff surveys, and being conscious of the themes of incidents and complaints is important to the overall effectiveness of the Board, and these topics remain regular agenda items.

For 2016-17, the substance of the top 5 complaints, accounting for over 82% of the total (and in common with other acute trusts) were clinical treatment (44%), admission and discharge (11%), values and behaviours (10%), care (9%), and communications (8%). In addition, the source of the highest numbers of patient dissatisfaction is equally understandable being A&E, where delays in treatment can often unavoidably result in discontent.

The Board remains committed to improvement by reducing the overall numbers of complaints; ensuring complaints are responded to in a timely manner; and making sure that lessons are learned.

Information governance

Information Governance (IG) is the term used to describe the standards and processes for ensuring that organisations comply with the laws and regulations regarding handling and dealing with personal information. Within the Trust, we have clear policies and processes to ensure that information, including patient information, is handled in a confidential and secure manner.

The designated individual within the Trust who is responsible for ensuring confidentiality of personal information is the Caldicott Guardian. This position is currently held by Dr Francis Andrews, Assistant Medical Director, who is Caldicott trained, registered and accredited.

The Trust also has a Senior Information Risk Owner (SIRO) who is responsible for assurance on the management of information risk to the Board. This role is held by Christine Walters, Director of Informatics, who is SIRO trained, registered and accredited.

The IG Team is led by Craig Walker, Information Governance Manager, who specialises in Data Protection, Freedom of Information and Information Security.

The Trust continues to benchmark itself using the IG Toolkit, which is an online system that allows NHS organisations to assess themselves against DH information governance policies and standards. It also allows members of the public to view our commitment to information governance standards.

The Trust IG assessment overall score for 2016-17 was 80%. This means that the Trust was rated 'Green' and is compliant in all sections of the IG Toolkit. The Trust's internal auditors, Mersey Internal Audit Authority, reviewed this result and provided 'Significant Assurance' for our IG systems and processes.

The Trust has a duty to report any incident regarding the loss of personal data to the Information Commissioners Office (ICO). For the financial year 2016-17, there was one such incident concerning radiology information being provided to the wrong patient. This was investigated by radiology staff and members of the IG Team, with actions taken to minimise the likelihood of any recurrence. The ICO stated that "the incident warranted no further action from them in their role as the regulatory body for data protection" and was subsequently closed with no action taken against the Trust.

The Trust systems for assessing and managing incidents and risks

The Trust promotes a culture of openness and encourages all staff and service users to actively report any issues, incidents or near misses, where they feel inappropriate action may have occurred, or systems and practices could be improved.

Risk assessments, incidents, complaints, claims, learning from staff views, and social media channels are other sources of information which support the Trust in identifying and managing risk. Once identified, the Trust's management processes ensure that all risks are owned and reviewed by an appropriate manager, and are suitably embedded within the Trust governance arrangements.

Training in the practice of undertaking risk assessments, and in the management of risks is available in house.

The Trust has an electronic risk and incident recording system (Datix) and all senior managers within the organisation have access to it. The systems are designed to manage risk to a reasonable level rather than to eliminate all risk.

Potential risks are identified and assessed (using the recognised NPSA 5 x 5 matrix of likelihood and consequence) and added to the register. The risk owner details controls and assurances that are within their remit and then re-assesses the risk to see whether these measures have been beneficial in reducing the current risk score. The risk owner also identifies the relevant line manager who will now also have sight of the risk and be able to review the actions in mitigation.

Risks with a score below 15 are controlled locally within care groups or corporate departments. Each risk is allocated an appropriate review date and on a monthly basis local governance meetings are held with appropriate representation and senior management to consider the risk profile, any missing risks, and to evaluate those requiring review. Frequent evaluation of risks takes place to ensure that the plans in mitigation are updated and accurately recorded on the Datix system.

If, following review and mitigating action within the care group or corporate department, the risk score is 15 or above, it is automatically escalated to the relevant Executive Director to see if more senior intervention can further reduce the potential risk to the organisation. All such risks are captured on the Corporate Risk Register (CRR).

The Trust risk profile is reviewed by the Risk Management Council each month with representation from each care group and corporate service, and three Executive Directors. A report is then drafted by the chair for presentation to the Executive Committee prior to a briefing to the Trust Board.

The involvement of the Executive Committee and the Board in regularly reviewing risks ensures that the level of exposure that the Trust is willing to tolerate (the risk appetite) is regularly tested.

As at 31st March 2017, there were a total of 680 risks recorded on Datix. The table below shows the profile of the risk scores (between 1 and 25):

Very Low Risk			Low Risk			Moderate Risk				High / Extreme Risk			
1	2	3	4	5	6	8	9	10	12	15	16	20	25
49	45	27	81	13	167	55	102	37	92	5	6	0	1
121 = 17.8%			261 = 38.4%			286 = 42.1%				12 = 1.8%			

As can be seen, 12 of these risks were scored at 15 or above and captured on the CRR and brought to the Board's attention. In summary, these related to:

- Cyber security
- Serious Incidents Requiring Investigation (SIRI) processes
- Staffing levels in five areas
- Recording of consent during pre-operative checks
- Shortage of biochemists to cover the on-call rotas
- Difficulties in recruiting Histopathologists
- Locum medical staff shortages due to tax changes
- Pathology computer system replacement

In addition to risks which can be escalated to the Trust Board, the Board has identified its own short-list of strategic risks that in theory could be catastrophic to the organisation should they occur. These are captured in the Board Assurance Framework (BAF) which is considered by the Board four times per year. Strategic concerns on the BAF as at 31st March 2017 were:

- Systemic failures in the quality of care
- Failure to agree a sustainable financial plan with commissioners
- Sustained failure to maintain operational performance/deliver contracts
- Failure to protect the reputation of the Trust
- Failure to work in partnership with stakeholders
- Failure to attract and retain staff with the skills required
- Major and sustained failure of essential assets, infrastructure
- Major and sustained failure of essential IT systems

The Trust's Internal Auditors review of the BAF in 2016-17 concluded that it is structured to meet the NHS requirements; is visibly used by the Board; and reflects the risks discussed by the Board. They concluded that the required assurance level was fully met.

Copies of risk reports to the Board are readily available on the Trust website within regular Board papers:
www.sthk.nhs.uk/about/trust-board/trust-board-papers-2016

As can be seen from the CRR and BAF, the Trust is extremely mindful of the serious risks posed by cyber security and failure of essential IT systems. One such incident arose on Friday 12th May 2017 that warrants highlighting as a significant issue within this Governance Report.

The Trust became aware at 12:20pm of a ransomware attack that affected many organisations across the world. Within an hour, and following discussion with the Chief Executive, as a precautionary measure, the Trust severed all external health and social care IT links. The Trust complied fully with instructions from NHS Digital and other government agencies, and applied the provided security patches to all accessible computers and servers on its network before the end of the day. The N3 Network was restored at 1:20 on Saturday 13th May and any subsequent instructions provided from the centre were followed.

There was a full internal communications strategy in place throughout to ensure staff were briefed. As a follow-up action, the Trust's Business Continuity Plans in this respect are being reviewed at the date of signing this statement.

Board assurance

Through the systems outlined in this Accountability Report the Executive Directors are able to provide the necessary assurances to the Trust Board that its annual and longer-term objectives can be met and risks to their achievement are being appropriately managed.

To support this view, the Trust also receives a significant amount of independent and external feedback from a range of sources that provides the Board with further assurance. Examples are summarised in the following paragraphs.

The Care Quality Commission (CQC) is the independent regulator for health and social care in England and through inspection makes sure that the public are provided with safe, effective, compassionate and high-quality care, and encourages services improvement. Their report on the Trust, published in early 2016, provided significant assurance to the Board of the quality of services being delivered. The overall 'Good' rating they provided remained in place throughout 2016-17.

The Trust is required each year to register with the CQC and has a legal duty to be compliant with the fundamental standards set out in the Health and Social Care Act. This ongoing compliance was confirmed to the Board in March 2017 and the Trust remains registered with the CQC without conditions.

In accordance with Public Sector Internal Audit Standards, the Director of Internal Audit (DoIA) is required to provide an annual opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee, which can provide assurance covering:

- Financial systems
- M&T and Information Governance
- Performance and Board reporting systems
- Processes to ensure service quality
- Processes underpinning management of the workforce
- Governance risk and legal compliance of statutory functions

For 2016-17, the DoIA concluded that 'Significant Assurance can be given that there is a generally sound system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.'

The basis for that opinion was:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes
- An assessment of the range of individual assurances arising from risk-based internal audit assignments throughout the period
- An assessment of the Trust's response to Internal Audit recommendations, and the extent to which they have been implemented

Within the accompanying commentary the following points were included:

- The Trust Board has taken action to improve the financial position of the Trust with regular reporting at Board meetings
- Senior management within the Trust has largely remained stable during 2016-17
- Operationally the Trust has continued to regularly report its performance against a range of targets. It has consistently met Referral to Treatment (RTT) and cancer targets
- The Trust is working with its partners across Cheshire and Merseyside looking at ways to make services more sustainable in the future, with the aim of helping people live longer and healthier lives

The Trust's external Anti-Fraud advisors report for 2016-17 confirmed that the Trust remained compliant against anti-fraud standards, and was strong with respect to ensuring that NHS resources are protected against fraud, bribery or corruption. In particular, the report noted "the work undertaken in 2016-17 and previous years at the Trust supports the embedding of a strong anti-fraud and anti-crime culture within the organisation".

Trust officers worked closely with NHS Improvement (the Trust's regulating body) in pursuing the national priorities detailed in the Single Oversight Framework. This framework sets out the key policies and processes which govern the relationship between NHS Trusts and NHSI in terms of oversight and escalation mechanisms, development and support. All requirements for both short and longer-term plans were appropriately met by the Trust.

Statement of the Accountable Officer's Responsibilities

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding public funds and Trust assets. In meeting this requirement, I adhere to the responsibilities as set out in the Accountable Officer Memorandum demonstrating an understanding of propriety and accountability issues.

Executive Directors and managers within the organisation who have responsibility for the maintenance of the system of internal control provide me with assurance.

My review has also been supported by the issues reported within this Governance Statement of the Annual Report.

In the course of the year, I have reviewed the systems of control and governance, attended supporting Committees and reviewed internal and external reports, ensuring identified areas of risk are being appropriately managed. In doing so, I am able to report that there are no significant areas of risk to report, and that the arrangements in place for the discharge of statutory functions are appropriate and compliant.

The system of internal control has been in place at St Helens and Knowsley Teaching Hospitals NHS Trust for the year ending 31st March 2017 and up to the date of the approval of the Annual Report and Accounts.

The full statement of my responsibilities, as the Accountable Officer is shown in the Annual Accounts.

Ann Marr

Ann Marr
Chief Executive
23rd May 2017

Accountability Report

Remuneration and Staff Report

This section provides the reader with information on the staff within the Trust and where further workforce data can be found within the financial statements.

The Trust's approach to its workforce and staffing

The HR & Workforce Strategy supports the Trust's vision by developing a management culture and style that:

- Empowers staff, builds teams and recognises and nurtures talent through learning and development
- Is open and honest with staff, and provides support throughout organisational change and invests in staff health and wellbeing
- Promotes standards of behaviour that encourage a culture of caring, kindness and mutual respect

The Trust is an equal opportunity employer and has control measures in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

Appropriate policies are maintained to ensure that the required standards are met; examples being:

- The Recruitment and Selection Policy is designed to inform management and staff how to conduct employment in an objective, fair and effective manner

- The Equality and Diversity Policy is designed to provide employment equality. This ensures that no applicant or employee will receive less favourable treatment on the grounds that they possess a "protected characteristic" as defined by the Equality Act, or any other individual characteristic, for example, social class or carer status

Trust employees

At the end of 2016-17, the Trust directly employed nearly five and a half thousand staff of which circa 37% were doctors and nurses; 33% were clinical support staff; and the remaining 30% were non-clinical support staff.

Turnover of staff is circa 11% which benchmarks low against a national figure of nearer 17%. However, there are variations between disciplines and significant recruitment challenges exist for medical, nursing and scientific staff.

The number of very senior managers employed by the Trust at 31st March 2017 was 23.

The overall number of staff employed is provided in the table below. This indicates that just less than 78.9% of the workforce is female.

	Male		Female		All Staff	
	FTE	Headcount	FTE	Headcount	FTE	Headcount
Directors	4.0	4	4.0	4	8.0	8
Non-Executive Directors	1.0	5	0.2	1	1.2	6
Other VSM	12.0	12	11.0	11	23.0	23
All other staff	930.5	983	3,085.7	3,736	4,016.2	4,719
Trust Total	947.5	1,004	3,100.9	3,752	4,048.4	4,756

The above figures include staff on the Trust's payroll but exclude temporary staff (including agency and bank staff), junior doctors in training recharged from other payrolls and other staff recharged from other organisations.

Information on 2016-17 staff costs is provided on the table below:

Staff costs 2016-17	Permanently Employed £000s	Other £000s	Total £000s
Salaries and wages	158,858	16,552	175,410
Social Security costs	14,063	651	14,714
NHS Pensions Scheme	17,010	788	17,798
Other pension costs	10	-	10
TOTAL	189,941	17,991	207,932

The Trust marginally failed to meet the annual sickness target of 4.50%, with a year-end cumulative figure of 4.86% (percentage of days lost over days available), which is a very slight improvement upon the previous year.

Payments for staff and services

Trust expenditure in 2016-17 on consultancy is included under note 5 of the Annual Accounts.

Under HM Treasury guidance PES(2012)17 the Trust is required to disclose information about off-payroll engagements at a cost of more than £220 per day and lasting more than six months. During the year, the Trust had 39 off-payroll engagements of which 33 existed as at 31 March 2017. All engagements included contractual clauses giving the employer the right to request assurance in relation to income tax and National Insurance obligations. Assurance has been requested regarding this from all 39 engagements which is ongoing. There were no off-payroll engagements relating to the Trust's five Executive Board Directors.

No exit packages were paid during 2016-17.

Pay Multiplier Disclosure 2016-2017

Year	2016-2017	2015-2016
Band of Highest Paid Directors' remuneration (£,000)	190-195	215-220
Median Total (£)	25,828	26,591
Ratio	7.45	8.18

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

The banded remuneration of the highest paid Director in St Helens and Knowsley Teaching Hospitals NHS Trust in the financial year 2016-2017 was £190,000 to £195,000. This was 7.45 times the median remuneration of the workforce, which was £25,828.

Total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The Medical Director is the highest paid member of staff for the 2 years reported.

Whilst there is little movement in the ratio, there has been a decrease to the median salary. This is due to the recruitment of new staff who commence their employment on an incremental scale.

In producing this information, the Trust has followed the Healthcare Financial Management association (HFMA) guidance on Pay Multiple Disclosures issued in 2013.

Directors' Remuneration Report

Salaries and Allowances. Table 1: Single figure table

	2016-17						
	Salary (See note below table)	Other Remuneration (See note below table)	Expense Payments	Performance pay and bonuses	Long term performance pay and bonuses	All pension- related benefits (See note below table)	Total
	(bands of £5,000) £000	(bands of £5,000) £000	(taxable) total to nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Mr R Fraser, Chairman (Started 1 May 2014, second term of office, ends 30th April 2020)	20 - 25	0	0	0	0	0	20 - 25
Ms AM Marr, Chief Executive (see below*)	180 - 185	0	0	0	0	32.5 - 35	215 - 220
Mrs AM Stretch, Director of Human Resources & Deputy Chief Executive	120 - 125	0	0	0	0	25 - 27.5	145 - 150
Mr N Khashu, Director of Finance and Information (Started 19th October 2015, hence part year figures for prior year)	120 - 125	0	0	0	0	40 - 42.5	160 - 165
Mr DP Finn, Director of Finance and Information (Left 27th September 2015)							
Dr K Hardy, Medical Director	30 - 35	185 - 190	0	0	0	35 - 37.5	250 - 255
Mrs S Redfern, Director of Nursing, Midwifery & Governance	100 - 105	0	0	0	0	15 - 17.5	120 - 125
Mr D Graham, Non-Executive Director (Started 1 December 2014, second term of office, ends 30th November 2019)	5 - 10	0	0	0	0	0	5-10
Mr D Mahony, Non-Executive Director (Started 1 August 2012, second term of office, ends 31st July 2018)	5 - 10	0	600	0	0	0	5 - 10
Ms S Rai, Non-Executive Director (Started 26 September 2012, third term of office, ends 25th September 2018)	5 - 10	0	0	0	0	0	5 - 10
Mr G Marcall, Non-Executive Director (Started 1 April 2013, second term of office, ends 4th April 2019)	5 - 10	0	2,600	0	0	0	5 - 10
Mr W Hobden, Non-Executive Director (Started 18 June 2009, left 29th March 2017 following fourth term of office)	5 - 10	0	0	0	0	0	5 - 10

* Figures for 2015/16 only show the remuneration element relating to the Trust as she had also been part-time CEO at Southport and Ormskirk Hospitals NHS Trust.

Notes:

In the above table only the columns for "salary" and "other remuneration" are deemed to be salary related.

For the purposes of this exercise the pension-related benefits are calculated using a national standard formula and effectively reflect the real increase in pension at age 60 in 2016-17 multiplied by a valuation factor of 20 plus the real increase in lump sum at age 60 in 2016/17. The resultant figure represents an estimate of the lifetime benefit of the annual increase. Please note that these figures exclude the estimated impact of employee's own contributions unlike in the pensions benefit table which include the impact of both employee and employer contributions.

The figures in the above table will include all payments in the year including any arrears paid. Also where a director was not a director for all year then only the remuneration for that period the director was in post would be disclosed. This may lead to different from figures stated under the pay multiples disclosure.

The Trust Board oversees the running and direction of the Trust and is accountable for financial and operational performance. The Chair and five non-Executive Directors are initially appointed for a varying terms by the Secretary of State for Health and can be reappointed for further terms. The Chief Executive post is a standard NHS contract with no time element included and is reviewed by the Trust's Remuneration Committee on an annual basis.

2015-16						
Salary (See note below table)	Other Remuneration (See note below table)	Expense Payments	Performance pay and bonuses	Long term performance pay and bonuses	All pension- related benefits (See note below table)	Total
(bands of £5,000) £000	(bands of £5,000) £000	(taxable) total to nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
20 - 25	0	0	0	0	0	20 - 25
105 - 110	0	0	0	0	72.5 - 75	180 - 185
115 - 120	0	0	0	0	0	115 - 120
50 - 55	0	0	0	0	2.5 - 5	55 - 60
60 - 65	0	0	0	0	55 - 57.5	115 - 120
25 - 30	185 - 190	0	0	0	32.5 - 35	250 - 255
100 - 105	0	0	0	0	7.5 - 10	110 - 115
5 - 10	0	0	0	0	0	5 - 10
5 - 10	0	1,300	0	0	0	5 - 10
5 - 10	0	600	0	0	0	5 - 10
5 - 10	0	2,000	0	0	0	5 - 10
5 - 10	0	0	0	0	0	5 - 10

The Remuneration Committee must consist of the Chairman and at least two Non-Executive Directors, with the Chief Executive in attendance, except when the CEO's salary is discussed. The Human Resources Director also serves the Remuneration Committee except when the Human Resources Director's remuneration is discussed. The Finance Director, Human Resources Director and Nursing Director posts are substantive appointments. Along with the Chief Executive their posts would be subject to national competition if they became vacant. The Medical Director is appointed from within the Trust consultant body on a fixed-term contract.

In respect of pay awards for Executive Directors, these are made in line with Department of Health guidance. The Trust has a robust appraisal process in place for Executive Directors but does not operate a performance-related pay framework. All the Trust Executive Directors are employed on a full-time substantive contract with a 6 month contract termination notice period either side. There have been no significant awards made to past Executive Directors for early terminations of contract. None of the directors were remunerated in an off-payroll arrangement.

The Board Director's interests are published annually on the Trust's website.

Please note that elements of the Remuneration Report are subject to audit, namely the salary and pension entitlements of senior managers (ie. the Board), compensation paid to former directors, details of amounts payable to third parties for the services of a director (if made) and the median remuneration of the Trust's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director.

Table 2: Pension Benefits

Name and Title	Real increase/ (decrease) in pension at pensionable age (bands of £2500) £000	Real increase/ (decrease) in lump sum at pensionable age related to real increase/ (decrease) in pension (bands of £2500) £000	Total accrued pension at pensionable age at 31 March 2017 (bands of £5000) £000	Lump sum at age 60 related to accrued pension at 31 March 2017 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2017 £000	Cash Equivalent Transfer Value at 31 March 2016 £000	Real increase/ (decrease) in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension £000
Ms AM Marr, Chief Executive	2.5-5	7.5-10	80-85	245-250	1,832	1,723	82	0
Mrs AM Stretch, Director of Human Resources & Deputy Chief Executive	0-2.5	0-2.5	50-55	135-140	885	838	31	0
Mr N Khashu, Director of Finance	2.5-5	0-2.5	25-30	75-80	396	358	21	0
Dr K Hardy, Medical Director	2.5-5	7.5-10	60-65	180-185	1,306	1,191	92	0
Mrs S Redfern, Director of Nursing, Midwifery & Governance	0-2.5	2.5-5	45-50	145-150	1,065	1,007	44	0

Please note that the above information has been provided by the NHS Business Services Agency - Pensions Division. The Trust's accounting policy on pensions is shown in note 7.3 of the Trust's published accounts.

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

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 200823.

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 of the period.





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