



Annual Report
2015-2016

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1. Performance Report

This section provides the reader with information on the organisation, its purpose, how it has performed in 2015-16, and the key risks to the achievements of its objectives.

Overview

Statement from the Chief Executive

2015-16 was another challenging year for the NHS as a whole and the Trust, and yet despite this it was one of its most successful and rewarding years.

The Care Quality Commission (CQC) inspection midway through the year gave the Trust the opportunity to showcase the quality of services provided. The exercise was intense and challenging, however, the resulting report was extremely positive with caring rated as outstanding across the Trust (the best rating possible), and St Helens Hospital, and Outpatients and Diagnostic Imaging Services also individually rated as outstanding.

The Trust's 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 more of the exceptional achievements:

- Patients consistently received above 98% harm-free care - outperforming neighbouring trusts in this safety measure
- There was a 48% reduction in falls resulting in moderate or severe harm; a reduction in the number of hospital acquired pressure ulcers; and a reduction in the number of Clostridium Difficile infections
- There have been no never events since May 2013
- There have been no hospital acquired MRSA bacteraemia since September 2014

- The Trust achieved a 96.8% fill rate for nurses on the safer-staffing measures
- The Trust achieved best in the UK for patient experience, and was the best acute NHS Trust in England for the Patient Led Assessments of the Care Environment
- 96.4% of inpatients said they would recommend our services
- Transformational changes to the Stroke Service resulting in it being the 3rd best performer in England in the Sentinel Stroke National Audit Programme
- Cancer services were seen as champions of the Electronic Holistic Needs Assessment
- The Anaesthesia Department was the first in the North West to be awarded accreditation status by the Royal College of Anaesthetists
- The Trust was ranked in the Top 100 places to work in the NHS, by the Health Service Journal
- The Trust was rated as the best acute Trust in the North West and the best non-Foundation Trust nationally in the staff survey, with the highest score for any acute hospital nationally for the question, "Are you happy with the quality of care you are able to deliver?"

With regards to demand for services, non-elective patient activity continued above contract levels. These activity pressures made it difficult for the Trust to manage the emergency patient workload within the target parameters set, but all required targets for treating elective patients within prescribed deadlines, and cancer waiting times were achieved.

The industrial action by junior doctors was effectively managed within the Trust to avoid any patient safety risks.

The ongoing national shortage of clinical staff and the need to react to unplanned fluctuations in demand inevitably led to the increased use of agency staff and overtime payments. However, the permission granted to recruit from overseas was used by the Trust to interview and appoint over 100 high calibre nurses from India which will be hugely beneficial going forward.

With regards to medical staff, links with medical schools abroad were strengthened in order to attract good quality trainees to join the Trust, and other innovative measures to address gaps in hard-to-fill clinical areas were pursued.

I would like to formally record my gratitude for the hard work and dedication of all staff, who strive to ensure the best possible care for our patients, supported by our volunteers and carer groups whose time and assistance is freely given and gratefully received.

Ann Marr

Ann Marr
Chief Executive

The purpose and activities of the Trust

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

The Trust employed an average of 4,497 whole time equivalent (WTE) staff during 2015-16 (including 319 temporary staff).

The Trust's income in 2015-16 was £313.3m.

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 and Plastic Surgery 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 4 million.

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 significant 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. However, the opportunities presented by the Sustainability and Transformation Planning process to develop alternative service delivery models, and innovative workforce practices and care pathways through working with stakeholders across the health economy, are being actively embraced.

Working across larger footprints it is also more likely that pioneering medical advancements can also be adopted, and measures to improve wellbeing and reduce demand by joined-up health promotion can be stimulated.

The Trust is committed to helping develop new models of care for acute hospital services for 'The Alliance Local Delivery System', comprising Halton, Ormskirk, Southport, St Helens, Warrington and Whiston hospitals over the next five years. Senior staff at each Trust are actively involved in exploring opportunities for designing more efficient and effective models of service delivery, across a larger footprint, for the benefit of patients and making best use of limited financial and staffing resources. These proposals will need to dovetail into similar plans in development covering the whole of the Cheshire and Merseyside footprint.

Trust Vision



The Trust's objectives

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

This vision is used to underpin the Trust's annual 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 captured each year in the "Star Chart" which can be seen on a great many noticeboards throughout the Trust.

Each year, the Trust Board reviews the Trust's objectives taking into account the national and local healthcare landscape, and the Trust's own strategic and service development plans. This review encompasses the views of our major stakeholders and feedback from local groups, carers, patients and staff.

The Trust objectives form the basis of the Trust's monthly Integrated Performance Report (IPR), and are the foundation of targets cascaded to teams and individuals for the coming year. This process ensures that all staff can make the link between their individual role and the contribution they are making to the overall success of the organisation.

The objectives for 2016-17 are visible in poster form throughout Trust buildings and are available in full on the Trust's web site 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, reflects best practice, and provides the best possible experience of healthcare for our patients and their families

- Improve the patient experience by continued improvements in clinical care and timeliness of discharge and transfers
- Continue to make progress towards the key 7-day service standards
- Deliver performance indicators as outlined in the nursing strategy, ensuring staffing levels are routinely reviewed using recognised acuity tools, ensuring appropriate numbers of staff are always available

5 STAR PATIENT CARE - Safety

We will embed a learning culture that reduces harm, achieves good outcomes and enhances the patient experience

- Fully utilise the “sign-up for safety” indicators to further improve safety and clinical outcomes
- Make further improvements regarding effective VTE screening, administration of medicines, avoidable hospital acquired infections, pressure ulcers, the treatment of acute kidney injury and sepsis, and other priorities as specified in the Clinical Quality Strategy
- Maintain in-hospital mortality below the North West average and continue to close the gap between outcomes for weekend and weekday admissions

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

- Work closely with CCG colleagues to improve emergency access performance, and explore opportunities for joint working
- Continue to develop and embed alternative pathways to benefit patient care such as those related to ambulatory emergency care to reduce non-elective admissions, and midwifery-led care for women having low risk births
- Use benchmarking data intelligence to reduce variation and improve outcomes

5 STAR PATIENT CARE - Communication

We'll be open and inclusive with patients providing them with timely information about their care. We will be courteous in communications and actively seek the views of patients and carers

- Continue to improve response rates and outcomes from the Friends & Family Test. Continue to use patient stories to learn lessons and share best practice
- Further improve compliance with the timeliness of responses to complaints and continue to reduce complaints related to staff attitude and behaviour
- Embrace opportunities for communications with patients and relatives to help the Trust plan future service developments. Further improve communications via the Trust website and other social media channels, as well as more traditional routes

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

- Continue to maintain the national data quality standards encompassed in the IG toolkit
- Continue to implement the next phase of IT systems including: a clinical portal, e-prescribing, electronic medical early warning system, theatre system and next generation electronic document management system
- Develop a 3 year IM&T Strategy which builds the foundations to support clinical transformation

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

- Identify creative approaches to recruitment and retention to ensure the Trust remains an employer of choice, ensuring support and training for all recruits. Explore opportunities for increasing our volunteer workforce
- Maintain positive staff survey and FFT outcomes and implement department level development plans including succession planning, health and wellbeing, and leadership
- Develop new approaches to celebrate innovation from frontline staff to further enhance public, patient and staff engagement, and also empower staff to more easily raise concerns

OPERATIONAL PERFORMANCE

We will meet and sustain national and local performance standards

- Achieve all national and local performance standards and deliver the activity levels required to meet Trust operational plans
- Deliver all clinically based performance indicators related to the quantity of activity undertaken; the quality of services provided; and the timeliness of diagnosis and treatment
- Monitor all trends in performance, and take remedial action to improve outcomes and results, if necessary

FINANCIAL PERFORMANCE, EFFICIENCY AND PRODUCTIVITY

We will at all times demonstrate robust financial governance, delivering improved productivity and value for money

- Achieve all statutory financial duties and continue to review the financial systems, processes, and controls, to enhance effective financial governance
- Continue to refine service and patient level information reporting and develop capacity and demand modelling capability at divisional and departmental levels, to support decision making at organisational and service level
- Use available benchmarking data to assess performance and underpin service transformation initiatives

SUSTAINABILITY AND TRANSFORMATION PLANS

We will work closely with NHS Improvement, and commissioning, local authority and provider partners in Cheshire and Merseyside to develop plans to deliver sustainable services

- Meet the compliance requirements set by NHS Improvement for long-term sustainability of clinical services
- Foster positive working relationships with health economy partners and help create the joint strategic vision for health services, incorporating patient pathway improvements from sharing patient information
- Continue to deliver the Communication and Engagement Strategy to ensure that staff, patients and visitors are kept informed of the Trust's future organisational plans

In total, the Trust has set itself 50 objectives for the coming year. These cover all aspects of patient care, staff, use of resources and longer-term plans for sustainability. These objectives are ambitious and stretching but the Trust remains confident that its staff will rise to the challenge and work tirelessly to achieve the best performance possible against each of the targets which collectively will benefit patients and visitors.

The Trust's approach to managing risks, including risks to the achievement of objectives and the strategic risks to the organisation are covered in detail within the Governance Statement later in this document. However, in summary, the Trust has a robust IT based risk recording system to which all senior managers have access. Potential risks are scored using a recognised "likelihood and consequence" matrix to give a relative rating after local mitigating controls are in place. This risk rating is then used to govern the escalation of risks through the tiers of management.

The Chief Executive's statement at the start of this report highlights a number of the key pressures currently facing the Trust which could impact on the Trust's ability to fully meet all its objectives. These include financial, recruitment, and activity demand challenges, but each of these is addressed within the risk management process and appropriate controls are in place to mitigate the possible impact.

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, the accounts have been prepared on a going concern basis.

Performance Analysis

Key performance measures

Whilst the following paragraphs provide some high-level indicators of the Trust's performance achievements in 2015-16, 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

2015-16 was a challenging year for the Trust in dealing with increased activity across the board, whilst responding to rising costs and workforce shortages, including sickness levels above target. Despite these factors, the Trust performed exceptionally well in almost all respects. Examples include:

- No hospital acquired MRSA bacteraemia since September 2014
- 96.6% of inpatients would recommend our services (Friends and Family Test)
- Patients consistently received above 98% harm-free care
- Ranked in the Top 100 places to work in the NHS
- Rated as the best acute Trust in the North West in the latest staff survey, and scored the highest for any acute hospital nationally for the question, "Are you happy with the quality of care you are able to deliver?"
- Trust rated as good by CQC with St Helens Hospital, and Outpatients and Diagnostic Imaging Services rated as outstanding
- Best in the UK for patient experience in CHKS Top Hospitals 2015

- Best acute NHS Trust in England in the Patient Led Assessments of the Care Environment (PLACE)

Each month, the Trust produces an Integrated Performance Report (IPR) which charts performance against over 400 measures. Some of these reflect NHS national and constitutional targets, some are local to this health economy, and some are Trust specific or internally generated. 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

The level and types of clinical activity for 2015-16, compared to 2014-15, are detailed in the following table:



	2014-15	2015-16	Variation
Activity Type	(000's)	(000's)	%
Outpatient 1st attendances	127	135	6.3%
Outpatient follow-up attendances	288	303	5.3%
Ward attenders	15	16	8.3%
Outpatient procedures	91	97	7.0%
Elective inpatients	8	7	-12.6%
Daycase	35	39	10.8%
Non-elective inpatients	60	61	2.2%
A&E attendances	101	104	2.7%

Key performance against national targets in 2015-16 is provided in the following table:

Summary of Key National Targets 2015-16	Target	Performance
Emergency Department waiting times within 4 hours	95.0%	89.4%
% of patients first seen within two weeks when referred from their GP with suspected cancer	93.0%	95.1%
% of patients receiving first treatment within 31 days from diagnosis of cancer	96.0%	97.8%
% of admitted patients treated within 18 weeks of referral	92.0%	95.5%
% of patients treated within 28 days following a cancelled operation	100.0%	99.3%
Number of Hospital Acquired MRSA bacteraemia incidences	0	0
Number of Hospital Acquired C. Difficile incidences	41	26
% of patients admitted with a stroke spending at least 90% of their stay on a stroke unit	83.0%	92.0%
Staff sickness	4.5%	4.9%



Financial performance

For the financial year 2015-16, the Trust received £313.3m of income with operational expenditure, before depreciation, impairments and interest of £298.6m. At the start of the year, the Trust predicted a £9.8m deficit but delivered a slightly improved outcome of £9.6m deficit at the year end. Efforts mid-way through the year to achieve a stretched target of £6.6m deficit could ultimately not be achieved due to external pressures on winter funding and consequential application of financial penalties.

As a result of the Trust's financial deficit in 2015-16, cash support of £3.5m was provided by the Department of Health in March 2016. This is in the form of an interim revolving working capital loan facility. This attracts 3.5% interest each year and the principal amount is re-payable by February 2021.

The Trust has an effective financial governance framework in place, supported through independent external and internal scrutiny. In 2015-16, 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

£260.9m (83%) of the income received by the Trust came from patient-related activities. The largest contribution was from St Helens Clinical Commissioning Group (CCG) at £107m.

The remaining 17% of income related to 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 £13m of savings through its Cost Improvement Programme in 2015-16.

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, outcomes, or patient experiences. It is only following a successful conclusion of this process that approval is provided by the Trust's medical and nursing directors.

In 2015-16, the Trust's capital expenditure was £4.2m primarily for the provision of new and replacement equipment, but also with circa £0.9m expenditure on additional decontamination facilities at St Helens Hospital to support the increasing demand for endoscopy procedures.

Financial Sustainability Risk Rating (FSRR)

The FSRR metrics consider measures of financial sustainability covering liquidity ratio (the operating costs held in cash or cash-equivalent), capital servicing capacity (the degree to which income covers financing commitments), and income and expenditure margins.

The overall risk rating ranges from 1 to 4, where 1 represents the highest level of financial risk. The Trust was forecast to be at level 2, primarily reflecting the assets and liabilities of the Trust from its two hospitals funded through a Private Finance Initiative, and this was the outcome.

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 Sustainable Development Management Plan, covering the organisation's vision, its action plan, monitoring arrangements and accountability for ensuring the plan is delivered, was approved by the Board in May 2015 and 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 has been proactive in this respect and a Sustainability Action Group meets each month to explore opportunities for savings. In November 2015, the Trust received the runner up award from Lord Redesdale for 'Most Sustainable Public Sector Organisation in the NHS' at the National Public Sector Sustainability event.

The following paragraphs summarise some initiatives considered over the last year:

- LED lighting installed in the multi-story car park at Whiston Hospital has reduced carbon emissions by 142 tonnes
- Waste collections have been streamlined resulting in an annual saving of £23k, and revised systems to better segregate waste

are now being rolled out and should reduce expenditure by circa £60k per annum

- A chemical dosing system to address pseudomonas in drinking water has been introduced reducing the requirement for flushing water tanks leading to savings of circa £30k per annum
- Reductions in mechanical ventilation systems, in non-critical areas with natural ventilation, are being pursued
- Energy saving software has been installed to control the shutdown of computer equipment when not in use, reducing carbon emissions by 300 tonnes with annual savings of circa £25k
- A Combined Heat and Power and Heat Recovery System has been approved for Whiston Hospital at a cost of £1.9m, which will reduce annual carbon emissions by 3,000 tonnes and save the Trust £600k per year.



2. 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 2015-16 was as follows:

	Position	Name	Term of Office	Committee Membership
Non-Executive Directors	Chairman	Richard Fraser	Appointed May 2014	Remuneration
	Deputy Chairman / SID	Bill Hobden	Appointed Jun 2009 / Reappointed Jun 2013	Audit (part year) / Remuneration
	Non-Executive Director	Denis Mahony	Appointed Aug 2012	Audit (part year) / Charitable Funds / Finance & Performance / Remuneration
	Non-Executive Director	Su Rai	Appointed Sept 2012 / Reappointed Sept 2014	Audit / Finance & Performance / Remuneration
	Non-Executive Director	George Marcall	Appointed Apr 2013	Audit / Finance & Performance / Quality / Remuneration
	Non-Executive Director	David Graham	Appointed Dec 2014	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
	Director of Finance	Damien Finn	Appointed Feb 2010 / Left Sept 2015	Executive / Finance & Performance / Quality
		Nik Khashu	Appointed Oct 2015	
	Medical Director	Kevin Hardy	Appointed Nov 2012	Executive / Finance & Performance / Quality
Director of Nursing Midwifery and Governance	Sue Redfern	Appointed May 2013	Executive / Quality	
Associate Directors	Director of Service Modernisation	Ian Stewardson	Appointed Jun 2003 / Seconded Jan 2016	Executive
	Director of Informatics	Neil Darvill	Appointed Dec 2003 / Left Oct 2015	Executive
		Christine Walters	Appointed Sept 2015	
	Director of Corporate Services	Peter Williams	Appointed Aug 2006	Executive
	Director of Operations and Performance	Paul Williams	Appointed Jul 2014	Executive / Quality / Finance & Performance
Associate NED	Sarah O'Brien	Appointed Apr 2015	TBA	

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 the Trust objectives for the following year. Any skills gaps and training and development requirements are also agreed to ensure continuous improvement of the unitary board.

Whilst historically the Chairman was appraised by the Senior Independent Director (a role allocated to a nominated NED) with contributions from other NEDs, this function has for the last two years been entrusted to the Trust Development Authority (TDA).

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 2015-16 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 2015-16, 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.

In addition, the Trust's Internal Auditors undertook a detailed independent audit of our FPPR processes, and provided 'Significant Assurance' in their report published in March 2016.

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.

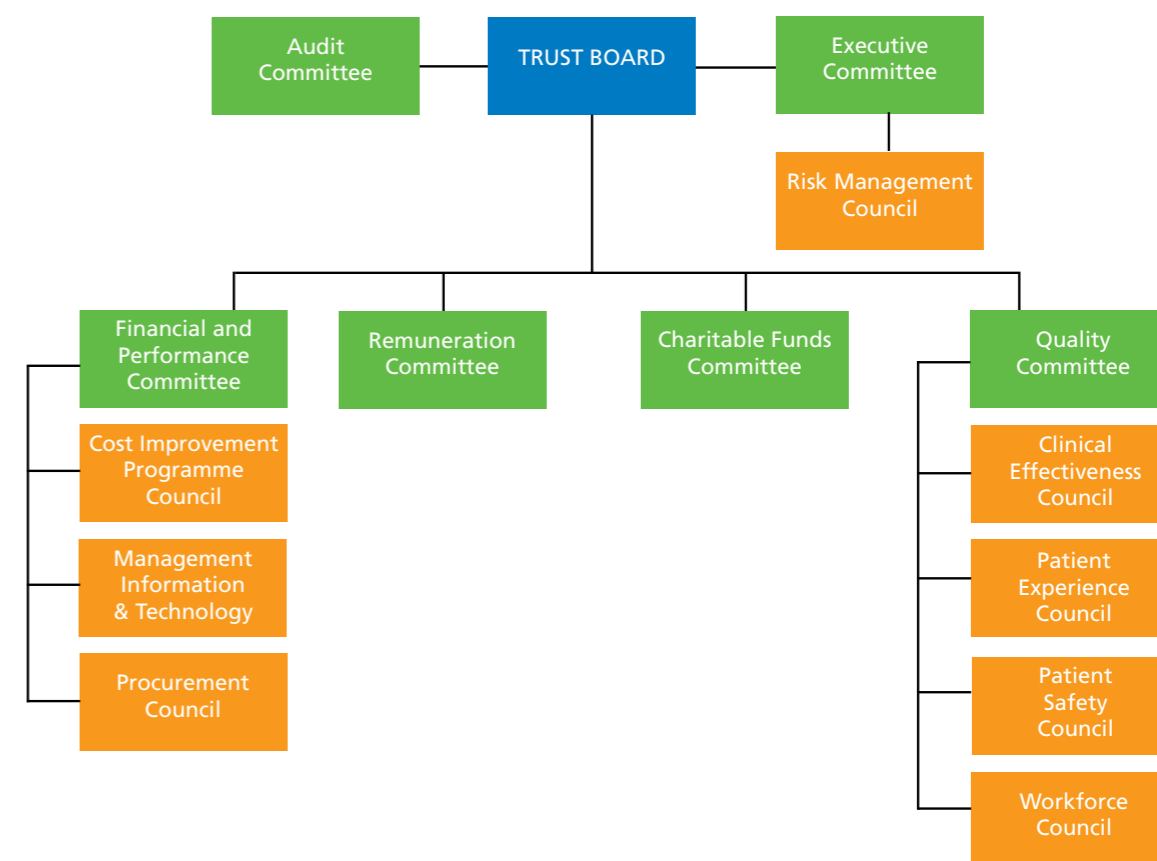
This information has been shared with the Trust's auditors who have supported the conclusions reached and confirmed that they could find no relevant audit information to the contrary.

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 2015-16 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, each is chaired by a NED, who after each meeting, provides 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 NEDs of the Trust.

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 June and November 2015.

Audit Committee

The Audit Committee has a membership of three NEDs, one of whom is a qualified accountant, and the others have commercial and business experience at a high level.

In addition, the Trust's external and internal auditors along with the Director of Finance are regularly invited to attend. In 2015-16, 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 in excess of 400 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 Local Authority Overview and Scrutiny Committees established to review and scrutinise 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 around patient safety and experience as well as clinical effectiveness and workforce matters. Chair reports from each of these councils are presented to the committee which include any matters for escalation.

Finance and Performance Committee

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.

Thorough consideration and analysis of 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 profitability of clinical services.

The committee is supported in its work by three councils 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 Council ensures that the data being presented to the Trust through the IPR related to performance, pathways, activity, service quality and 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 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 quality improvement 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 2016, the Board and 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 managed.

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





2015-16 saw the following changes in the Board of Directors membership:

- In August 2015 Ann Marr, Chief Executive, was appointed to provide temporary Chief Executive cover to Southport and Ormskirk Hospital NHS Trust in addition to retaining her role at the Trust. This arrangement ceased on Thursday 12th May 2016 although Ann has currently retained responsibility for overseeing that Trust's Sustainability and Transformation Planning.
- Damien Finn, Director of Finance left the organisation to be replaced by Nik Khashu
- Ian Stewardson, Associate Executive Director of Service Modernisation took a 1 year secondment to a local CCG. His post currently remains unfilled
- Neil Darvill, Associate Executive Director of Informatics left the organisation to be replaced by Christine Walters

- All Directors appointed during 2015-16 undertook tailored induction programmes
- Bill Hobden, NED, continues to undertake the role of Senior Independent Director of the Board, as well as fulfilling the Deputy Chairman role

The Trust Board held ten meetings in public during 2015-16. 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 lessons learned.

All Trust Board meetings were quorate, with appropriate attendance from Directors. Attendance by Directors at Board and committee meetings is summarised in the following table:

Directors Meeting Attendance 2015/2016		Trust Board	Audit Committee	Charitable Funds Committee	Finance & Performance Committee	Quality Committee	Executive Committee	Overall meetings attended and percentage of potential meetings	
Total Meetings Held		10	4	3	10	9	43	79	
Richard Fraser	Chairman	9						9	90%
Bill Hobden	Deputy Chairman / SID	8	3					11	85%
Dennis Mahony	NED	9	1	2	8			20	83%
Su Rai	NED	10	4		10			24	100%
George Marcall	NED	8	3		8	6		25	76%
David Graham	NED	8				6		14	74%
Sarah O'Brien	Associate NED	7						7	70%
Ann Marr	Chief Executive	9				3*	39	51	91%
Anne-Marie Stretch	HR Director / Deputy CE	7				9	36	52	84%
Damien Finn	Finance Director (to 25/9/15)	4		1	4	3	20	32	86%
Nik Khashu	Finance Director (from 19/11/15)	5		1	5	5	18	34	92%
Sue Redfern	Nursing Director	8				7	33	48	77%
Kevin Hardy	Medical Director	10			7	9	30	56	78%
Peter Williams	Director of Corporate Services	10					40	50	94%
Ian Stewardson	Director of Modernisation	7					24	31	79%
Neil Darvill	Director of Informatics (to 30/10/15)	5					19	24	75%
Christine Walters	Director of Informatics (from 28/09/15)	5					18	23	92%
Paul Williams	Director of Operations	7			8	6	26	47	65%

*The CE's attendance at the Quality Committee was unavoidably constrained by fixed commitments at the same time at Southport and Ormskirk Hospital NHS Trust

During the year, four strategy meetings were held in order to discuss in detail key issues affecting the organisation and longer terms strategic plans to ensure sustainability, including wider partnership working across the local health economy.

Board Development sessions were also held for all Board members throughout the year, and topics covered are summarised in the following table:

Purpose	Provider/Lead	Date
Approval of the 2015/16 Operating Plan, Performance Framework, Budget and Capital Investment Plan, Review of Implications for 5 Year Strategic Plan	Damien Finn, Director of Finance	29th April 2015 Strategy Board
Board Skills Audit and Development Needs Assessment	Anne-Marie Stretch, Director of HR and Deputy CEO	27th and 28th May 2015
Annual Board Effectiveness and Governance Review	Peter Williams, Director of Corporate Services	27th and 28th May 2015
Communication, Listening and Presentation skills for Boards – Introductory Workshop (1)	CMT	27th and 28th May 2015
Review of Clinical and Quality Strategy	Kevin Hardy, Medical Director	24th June 2015 Strategy Board
Review of IT and Innovation Strategy	Neil Darvill, IT Director	24th June 2015 Strategy Board
Estates and Accommodation Strategy	Peter Williams, Director of Corporate Services	24th June 2015 Strategy Board
CQC Inspection Board Member Preparation	Sue Redfern, Director of Nursing	10th August 2015
Mid-Year Operational Plan and Corporate Objectives Performance Review	Damien Finn, Director of Finance	30th September 2015
CQC Inspection De-brief / feedback and action planning	Sue Redfern, Director of Nursing	30th September 2015
Review of Communication, Engagement and Media Strategy	Anne-Marie Stretch, Director of HR and Deputy CEO	28th October 2015 Strategy Board
Director Mandatory Training / Corporate Law update	Hill Dickinson LLP	28th October 2015 Strategy Board
Well Led Framework – Action Plan review and 2nd Self-Assessment	Sue Redfern, Director of Nursing	12th November 2015
Strategic Planning – Monitor Assessment Toolkit and Action Planning	Anne-Marie Stretch, Director of HR and Deputy CEO	12th November 2015
Planning Assumptions for 2016/17	Ann Marr, CEO	12th November 2015
Short-term plan and Strategic Transformation Plans	Nik Khashu, Director of Finance	24th February 2016 Strategic Board

A key skill of Board members is their ability to absorb and analyse the hard evidence and data supplied to them through formal reports to the Board and its committees and triangulate that with the softer information received through regular attendance at events, staff and carer listening sessions, and ward / department visits. NEDs are encouraged to test out information received at Board when speaking to staff to gain that further assurance of accurate reporting of information throughout the Trust.

Learning from the results of patient and staff surveys, and the topic of complaints is important to the overall effectiveness of the Board. For example, each quarter the Board considers a report covering incidents, claims, complaints and referrals to PALS.

The top 5 significant topics of patient dissatisfaction, accounting for over 80% of the total complaints and PALS workload, are predictable and in common with other acute trusts, and comprise admission and discharge (20%), clinical treatment (19%), communications (16%), care (15%), and appointments (12%). In addition, the source of the highest numbers of patient dissatisfaction is equally understandable being the Emergency Department (ED) and surgical specialties where scheduling issues can often unavoidably result in discontent.

Whilst the topics and sources may be anticipated, the Board remains committed to improvement by both reducing the overall numbers of complaints, and more importantly ensuring complaints are responded to in a timely manner and 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 there are 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 the Assistant Medical Director, Dr Francis Andrews, 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 the Director of Informatics, Christine Walters, who is SIRO trained, registered and accredited.

The IG Team is managed by Craig Walker 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 Department of Health information governance policies and standards. It also allows members of the public to view our commitment to information governance standards.

The Trust IG Assessment Report overall score for 2015-16 was 80%. This means that the Trust was rated 'Green' and is compliant in all sections of the IG Toolkit. Plans are already in place to continue to improve this score for the 2016-17 version of the IG Toolkit, which is expected to be released in June 2016.

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 2015-16, there was one such incident, which was reviewed by relevant members of staff and members of the IG Team, with actions taken to minimise the likelihood of any recurrence. This incident has been closed by the ICO with no actions taken against the Trust.

Whilst IT critical systems and our application of the IG Toolkit are independently audited each year, a specific in-depth assessment of cyber security is scheduled for 2016-17, to assess this increasing threat.

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, complaints and claims, understanding and learning from the views of staff, 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 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. However, in May 2015 targeted training for in excess of 40 senior Trust managers was provided by the Institute of Risk Management.

As an aside, the Institute also assessed the Trust's systems for recording and managing risks, the governance arrangements, the number of risks being captured, and reporting arrangements and confirmed that they were of a good standard.

The Trust has an electronic risk and incident recording system (Datix) and all senior managers within the organisation have access to it. The systems of risk management and internal control 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 automatically added to the register. The risk owner adds controls and assurances that are within their remit and then re-assess 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 appropriate 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) and reviewed by the Risk Management Council each month, following which a chair's report (from the Director of Nursing) is sent to the Executive Committee for consideration prior to any briefing of the Trust Board.

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

As at 31st March 2016 there were a total of 579 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
69	24	29	62	10	133	44	76	38	81	4	8	1	0
122 = 21.1% of total			205 - 35.4% of total			239 = 41.3% of total				13 = 2.2% of total			

As can be seen, 13 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:

- Shortage of middle grade doctors in ED to cover rota
- Junior Doctor industrial action
- Increased non-elective demand and acuity of patients attending ED
- Increased reliance on bank and agency staff
- Provision of a safe and consistent service on the GP Assessment Unit during times of escalation
- Risk of failure to deliver the annual financial plan 2015-16
- Threat of IT partnership reducing
- IG risk due to potential lost or stolen mobile devices
- Windows software patches on servers
- IG risk due to the use of unencrypted USB drives
- Inability to recruit sufficient staff
- Increased acuity of patients on Ward 3D
- Shortage of staff to meet blood science rotas

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 Trust should they occur and these are captured in the

Board Assurance Framework (BAF) which is considered by the Board three times per year alongside the CRR. Strategic concerns on the BAF as at 31st March 2016 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 or infrastructure
- Major and sustained failure of essential IT systems

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

Through maintenance of a robust risk assessment process including CRR, BAF, and the external reviews reported to the Board it can be confirmed that there are no significant issues requiring highlighting within this Governance Report.

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 the Trust's 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. It also highlighted a small number of areas for attention which have been, or will shortly be, closed out.

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 2016 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, approved by the Audit Committee covering:

- Financial systems
- IM&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 2015-16, 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 opinion is derived from the conduct of risk based plans generated from a robust and organisation-led Assurance Framework."

The Annual Meeting Effectiveness Review for the Risk Management Council concluded in March 2016 that it remained fit for purpose with robust systems for managing risk. In addition, the Trust's Internal Auditors undertake periodic reviews and in March 2016 provided "Significant Assurance" regarding the Trust's systems for managing risk.

The Trust's external Anti-Fraud advisors report for 2015-16 confirmed that the Trust remained compliant against anti-fraud standards, and were strong with respect to ensuring that its NHS resources are protected against fraud, bribery or corruption.

Trust officers worked closely with the NHS Trust Development Authority (the NHS Trust's regulating body) in pursuing the national priorities detailed in the Accountability Framework. This framework sets out the key policies and processes which govern the relationship between NHS Trusts and the NHS TDA 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 2016 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

26th May 2016

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

	Male		Female		All Staff	
	FTE	Headcount	FTE	Headcount	FTE	Headcount
Directors	4.0	4	4.0	4	8.0	88
Non-Executive Directors	0.7	4	0.2	2	0.9	6
Other VSM	4.0	4	6.7	7	10.7	11
All other Staff	959.1	1,011	3,500.6	4,221	4,459.7	5,232
Trust Total	967.8	1,023	3,511.5	4,234	4,479.2	5,257

At the end of 2015-16, the Trust directly employed over five thousand staff of which circa 40% were doctors and nurses; 32% were clinical support staff; and the remaining 28% were non-clinical support staff. Just over 80% of the workforce is female.

Turnover of staff is circa 10% which benchmarks low against a national figure of nearer 14%. 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 was 25.

Further details on the staff employed can be found under note 9.2 of the Annual Accounts.

The Trust marginally failed to meet the annual sickness target of 4.5%. Further details are provided under note 9.3 of the Annual Accounts.

Payments for staff and services

Trust expenditure in 2015-16 on consultancy was £200k as stated under note 7 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. The Trust has nothing to declare for the year-ending 31 March 2016; the prior year was also nil.

No exit packages were paid during 2015-16 as stated under note 9.4 of the Annual Accounts.

Pay Multiplier Disclosure 2015-2016

Year	2015-2016	2014-2015
Band of Highest Paid Directors' remuneration (£,000)	215-220	210-215
Median Total (£)	26,591	26,477
Ratio	8.18	7.96

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 2015/2016 was £215,000 to £220,000. This was 8.18 times the median remuneration of the workforce, which was £26,591.

The banded remuneration of the highest paid Director in St Helens and Knowsley Teaching Hospitals NHS Trust in the financial year 2014-2015 was £210,000 to £215,000. This was 7.96 times the median remuneration of the workforce, which was £26,477.

2015-2016 Narrative

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 and agency staff.

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

Explanation for Movement in the Ratio

The movement in the ratio of 0.22 is due to differentials in national pay awards and terms and conditions between different staff groups.

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

A) Salaries and Allowances

	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 £00	(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, first term of office for three year term)	20 - 25	0	0	0	0	0	20 - 25
Ms AM Marr, Chief Executive (see below*)	105 - 110	0	0	0	0	72.5 - 75	180 - 185
Mrs AM Stretch, Director of Human Resources & Deputy Chief Executive	115 - 120	0	0	0	0	0	115 - 120
Mr N Khashu, Director of Finance and Information (Started 19th October 2015)	50 - 55	0	0	0	0	2.5 - 5	55 - 60
Mr DP Finn, Director of Finance and Information (Left 27th September 2015)	60 - 65	0	0	0	0	55 - 57.5	115 - 120
Dr K Hardy, Medical Director	25 - 30	185 - 190	0	0	0	32.5 - 35	250 - 255
Mrs S Redfern, Director of Nursing, Midwifery & Governance	100 - 105	0	0	0	0	7.5 - 10	110 - 115
Mr R Swainson, Non-Executive Director (Started 1 November 2006, left 31 October 2014)							
Mr D Graham, Non-Executive Director (Started 1 December 2014, first term of office, two year term, non-remunerated in 2014-15)	5 - 10	0	0	0	0	0	5 - 10
Mr D Mahony, Non-Executive Director (Started 1 August 2012, first term of office, four year term)	5 - 10	0	13	0	0	0	5 - 10
Ms S Rai, Non-Executive Director (Started 26 September 2012, second term of office, two year term)	5 - 10	0	6	0	0	0	5 - 10
Mr G Marcall, Non-Executive Director (Started 1 April 2013, first term of office, four year term)	5 - 10	0	20	0	0	0	5 - 10
Mr W Hobden, Non-Executive Director (Started 18 June 2009, third term of office, two year term)	5 - 10	0	0	0	0	0	5 - 10

* From 4th August 2015 has also been part-time CEO at Southport and Ormskirk Hospital NHS Trust. Hence figures above only show the remuneration relating to the Trust. Her total salary falls in the banding 180-185 (£000).

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 2014/15 multiplied by a valuation factor of 20 plus the real increase in lump sum at age 60 in 2015/16. 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 figures from those 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 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. In attendance at this committee is the Chairman, Chief Executive and at least three Non-Executive Directors, except when the CEO's salary is discussed. The Human Resources Director also serves the Remuneration Committee except when the

2014-15						
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 £00	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
15 - 20	0	6	0	0	0	15 - 20
180 - 185	0	0	0	0	0 - 2.5	180 - 185
115 - 120	0	0	0	0	27.5 - 30	145 - 150
125 - 130	0	0	0	0	47.5 - 50	170 - 175
30 - 35	180 - 185	0	0	0	15 - 17.5	225 - 230
100 - 105	0	0	0	0	7.5 - 10	110 - 115
0 - 5	0	6	0	0	0	5 - 10
0	0	0	0	0	0	0
5 - 10	0	12	0	0	0	5 - 10
5 - 10	0	17	0	0	0	5 - 10
5 - 10	0	16	0	0	0	5 - 10
5 - 10	0	14	0	0	0	5 - 10

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.

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.

B) 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 2016 (bands of £5000) £000	Lump sum at age 60 related to accrued pension at 31 March 2016 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2016 £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Real increase/ (decrease) in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension £000
Ms AM Marr, Chief Executive	10 - 12.5	32.5 - 35	85 - 90	255 - 260	1,835	1,562	254	0
Mrs AM Stretch, Director of Human Resources & Deputy Chief Executive	(0 - 2.5)	(1.5 - 1.75)	45 - 50	135 - 140	819	811	(2)	0
Mr DP Finn, Director of Finance and Information (Left 27 September 2015)	2.5 - 5	12.5 - 15	40 - 45	130 - 135	714	625	81	0
Mr N Khashu Director of Finance	0 - 2.5	2.5 - 5	20 - 25	70 - 75	341	323	13	0
Dr K Hardy, Medical Director	2.5 - 5	7.5 - 10	55 - 60	175 - 180	1,191	1,107	70	0
Mrs S Redfern, Director of Nursing, Midwifery & Governance	0 - 2.5	0 - 2.5	45 - 50	145 - 150	1,007	969	27	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 9.5 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 pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

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

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.



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