NHS
Northampton General Hospital
NHS Trust

Proud to be a part of

University Hospitals of Northamptonshire
NHS Group

Annual Report and Accounts 2020/21

Dedicated to excellence

CONTENTS

All NHS organisations are required to publish an annual report and financial statements at the end of each financial year. This report provides an overview of the work of Northampton General Hospital NHS Trust between 1 April 2020 and 31 March 2021.

The report is made up of three parts:

SECTION ONE:

PERFORMANCE REPORT

Chairman and Chief Executive's Introduction

This year has been a year like no other we have experienced in the history of the NHS. The COVID pandemic has placed significant challenges both on our services and upon our people; and we have all to some degree experienced the tragic loss and suffering of people we care for, or care about.

We would therefore like to begin this year's annual report with a heartfelt thank you.

Thank you to our dedicated colleagues across the Trust for everything you have done under the most difficult of circumstances to ensure our patients continue to experience high quality, compassionate care.

Thank you to our much-valued volunteers for helping us to keep services going and for supporting our colleagues, our patients and our carers in every way you possibly can.

Thank you to patients and carers for your patience, understanding and support throughout.

Thank you to our local communities for the strength of solidarity you have shown towards our NHS colleagues and for your kind donations which have helped to boost morale when we needed it the most; and **thank you** to our health and care partners for your ongoing assistance and collaboration which have enabled us all to make an important contribution to health and wellbeing across Northamptonshire.

Our focus in 2020/21 has understandably been on responding to the pandemic, and we are proud of our efforts in doing so. Not only have we needed to adapt and flex our services more so than ever before, but we have introduced many health and wellbeing initiatives to support our colleagues, some of which you can read about in this report.

If it is at all possible to find a silver lining, the pandemic has undeniably driven significant innovation and positive change, not least the accelerated implementation of many aspects of our digital strategy. Virtual outpatient consultations and community monitoring are now a reality, and we have implemented new technology in weeks instead of months – or even years. We can look forward to enjoying more of

the same, which means a sustainable difference to how we provide care and to how people access our services.

We have also made major progress in other areas. In January 2020 – before the pandemic hit the UK – we committed to creating a hospital group with Kettering General Hospital NHS Foundation Trust. Despite the pressures faced, we have made great strides forward including co-producing a shared vision, mission, priorities and values for the new group, which we plan to launch this coming Summer. We are also delighted to announce the achievement of University hospital status, which will bring major benefits to our patients, our staff and our organisations.

In June 2020 Alan Burns was reappointed for a second term as KGH Chair while Simon Weldon was appointed to Group CEO. Their leadership was instrumental in ensuring the 'Dedicated to Excellence' Group strategy to be adopted by both boards in January 2021, following extensive engagement with leaders, staff, governors, patient and carer representatives, partners, and others.

Since last year we have received £2.9m to increase capacity by creating a new, designated children's A&E facility and we started building work on the new hospital entrance to provide staff, patients and visitors a more welcoming reception area. In addition, we also received £15.9m to build a new 24 bed critical care facility thanks to capital funding from the Department of Health and Social Care (DHSC) to upgrade and improve NHS buildings.

We hope you enjoy reading this report, which truly demonstrates the adage 'triumph over adversity'. As always, we welcome your comments and feedback and look forward to hearing from you.

Best wishes,

Alan Burns,
Group Chair

Simon Weldon
Group Chief Executive Officer

Eileen Doyle
Interim Hospital Chief Executive Officer, NGH

Our highlights of 2020-2021

In March 2020 the first cases of COVID were identified in Northamptonshire and at Northampton General Hospital. On 16th March national lockdown measures began.

April 2020

We announced our hospital Group model and our future partnership with Kettering General Hospital.

We took delivery of Continuous Positive Airway Pressure (CPAP) devices to be used in the fight against COVID-19.

Designed by the University College London and Mercedes-AMG High Performance Powertrains (HPP), the UCL- Ventura breathing aids were made just a few miles from the hospital at the Mercedes-Benz Technology Centre in Brixworth.

Alongside this we introduced rapid testing for COVID-19. This rapid testing provides results in just four hours meaning cases of COVID-19 could be identified sooner.

We completed over 170 tests in the first three days and the testing has continued throughout the year.

May 2020

We started using Robotic Process Automation (RPA) technology to plan the care of COVID-19 patients. In just 12 hours, and by working through the night in conjunction with technology company Automation Anywhere, the NGH team created a bot allowing them to monitor oxygen levels 24 hours a day without human intervention. This means that the team can use their time to support other areas of the hospital while still gaining an accurate and constant flow of information.

June 2020

Teams at NGH played a key role in a major breakthrough for the treatment of COVID. Dexamethosone, a low-cost steroid, was shown to significantly improve the outcome of patients diagnosed with COVID who need oxygen or ventilation support and reduce deaths by one third.

RECOVERY
Randomised Evaluation of COVID-19 Therapy

This discovery was thanks to a national programme that the hospital has been participating in to trial a range of potential COVID treatments. The research and development team at NGH were one of the first

hospitals in the UK to sign up to the RECOVERY (Randomised Evaluation of COVID-19 thERapY) trial.

As of June 2020 the hospital recruited over 240 patients into the trial and have been recognised in the top five hospitals nationally for their contribution to the research.

July 2020

Our volunteer team launched a new service to allow relatives to send in videos for their loved ones. This service provided an invaluable way to connect patients and their loved ones during a time of visiting restrictions.

August 2020

NGH receives £2.9m to improve A&E capacity by creating a new, designated children's A&E facility.

September 2020

We started building work on the new hospital entrance to provide staff, patients and visitors a more welcoming reception area.

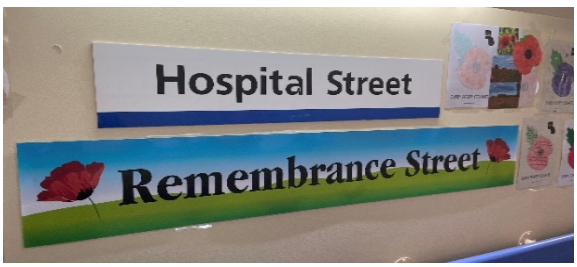
October 2020

Emma Wimpress, Head of Volunteer Services and Peter Ryan, Volunteer were awarded the British Empire Medal in the Queen's Birthday Honours List 2020, for their services to volunteering during COVID-19.

Emma Wimpress

Peter Ryan

November 2020



We rebranded the Hospital Street corridor to Remembrance Street for Remembrance Day.

As COVID-19 put a restriction on NGH's Armed Forces plans, veteran Angela Smart who is NGH's Clinical Governance Manager, had the idea of flooding the hospital with poppies by building a walk of remembrance throughout the site.

December 2020

We were one of the first 50 vaccination hubs in the country to deliver COVID-19 vaccines for the local population and healthcare workers.

We received £15.9m to build a new 24 bed critical care facility thanks to capital funding from the Department of Health and Social Care (DHSC) to upgrade and improve NHS buildings

During December 2020 we achieved seven of the key targets set by the NHS nationally to provide cancer care for patients.

This means cancer would be confirmed at an earlier stage and treatment can start sooner for patients in Northamptonshire.

January 2021

Our critical care team shared their experiences of the COVID-19 pandemic with our local newspaper the Chronicle and Echo and with BBC Look East.

February 2021

Patients were thanked for taking part in a research trial that has helped to find a drug that can be used to treat people with COVID-19.

Research taking place included the RECOVERY trial, and results announced from the trial showed that tocilizumab, a widely available arthritis treatment, can save lives, shorten hospital stays and decrease the likelihood of COVID-19 patients requiring mechanical ventilation.

In February more than 35,000 patients at 177 hospital sites across the country had taken part in the RECOVERY trial. Northampton General Hospital ranked amongst the top sites in the country for recruiting COVID-19 patients to take part in the trial.

March 2021

We were crowned Health and Wellbeing Employer of the Year for its staff wellbeing services supporting the workforce, both physically and mentally, during COVID-19 and beyond.

We were also Highly Commended for the Environmental Sustainability Award at the 40th HSJ Award

Who we are and what we do

We are an acute hospital with around 790 beds and a 24-hour Emergency Department (ED). In addition to the full range of district general hospital care, we provide some specialist services for the county including cancer and stroke. We have inpatient, day case, diagnostic and outpatient facilities with a dedicated children's ward and outpatients.

Our aim is to provide services in the most clinically effective way. Our developments in urological cancer surgery and laparoscopic colorectal surgery place us at the forefront of regional provision for these treatments.

We also train a wide range of clinical staff, including doctors, nurses, therapists, scientists and other professionals.

Our training and development department offers a wide range of clinical and non-clinical training courses, accessed in a variety of ways through a range of media including e-learning. We are proud of our recently upgraded training facilities.

Moving towards a group management model for acute hospitals in Northamptonshire

On 10 January 2020 we announced our commitment to working closer with Kettering General Hospital by moving towards a group management model to strengthen health services in Northamptonshire. This shows our firm commitment to greater collaboration between our two hospitals and of our senior management teams to work much more closely together.

Why we are doing this

- To strengthen health services in Northamptonshire
- Our clinicians agree we need collaboration, not competition, to develop first class services
- We need to respond to the key challenges of population growth, rising demand, future clinical and financial stability at the same time as maintaining high standards of care

This is not about merger or developing one hospital to meet the needs of the whole of Northamptonshire. It is not a cost-cutting exercise or designed to end up with one hospital being 'better' than the other.

Developing a group model means:

- Retaining the identity of NGH and KGH
- A commitment to two hospitals with key facilities such as A&E, paediatrics and maternity services in Northampton and Kettering
- Sharing expertise and developing new approaches to team working
- A common approach with an emphasis on transformation and quality improvement for our patients

- Improving and increasing the level of services provided across the county by working together
- Ensuring the clinical and financial sustainability of both hospitals
- Providing good career progression opportunities for our staff - making Northamptonshire a more attractive place to work. We will continue to keep our staff, patients, and the communities we serve informed as work progresses.

Working in partnership

Northamptonshire Health and Care Partnership

We are an active member of the Northamptonshire Health and Care Partnership (NHCP), formerly known as the Northamptonshire STP, which consists of key health and care providers in the county.

NHCP is not a new organisation but a new way of working in partnership to improve health and care for people living in Northamptonshire.

All Partnership organisations remain as separate organisations with their own local responsibilities for the services they provide but are committed to working together towards the shared NHCP vision for a *positive lifetime of health, wellbeing and care in our community.*

Further information about NHCP is available on their website https://northamptonshirehcp.co.uk/

Our vision and values

Developing a shared vision of the future

In January 2020, we announced our intention to form a hospital group with Kettering General Hospital NHS Foundation Trust. This would not be an organisational merger but would see both Trusts working collaboratively to improve the quality of the care we provide, enable more equitable access to services across the county, and make better use of our valuable resources.

Over the past year we have been developing plans and arrangements with a view to launching the new Group in Summer 2021. One of the first steps was to develop a common vision and mission, supported by shared priorities and values. From the outset we were committed to involving staff, governors and volunteers, patient representatives, healthcare partners and other stakeholders in this activity.

Over the course of four months, many facilitated discussions were held within open forums, regular meetings and committees, and with targeted groups using on-line

engagement tools. The COVID pandemic provided a challenging backdrop for the engagement programme, and most activities were undertaken virtually owing to the travel restrictions and social distancing measures in place.

More than 1,000 people were directly involved in discussions, with staff across both organisations also receiving regular updates about the emerging vision, mission and values. Staff and members of the public were invited to attend open events and share information via the #LetsTalkNow email, and activities were also publicised within the local media.

We engaged:

- Staff across both organisations
- KGH Governors
- Staffside
- Staff forums representing BAME, disabilities, equalities and COVID shielding groups, as well as the newly formed Joint Staff Reference Group
- Patient groups, including representatives from Healthwatch/Young Healthwatch, Carers Northamptonshire, Kettering Mind and Northamptonshire Association for the Blind - such as the Patient Experience & Involvement Steering Group, the Patient & Carer Experience & Engagement Group, the Patient and Family Partners Group and the Prostate Cancer Support Group
- Volunteers
- Discussion session with Northants Healthwatch/Young Healthwatch
- Engagement with health and care partners, including representatives from mental health, primary and community care, commissioners, local authorities and the Local Medical Committee

'Dedicated to Excellence'

Our Group vision

Dedicated to outstanding patient care and staff experience by becoming a university hospital group and a leader in clinical excellence, inclusivity and collaborative healthcare.

Our Group mission

Provide safe, compassionate and clinically excellent patient care by being an outstanding employer for our people, creating opportunity and supporting innovation, and working in partnership to improve local health and care services.

Our new values:

The Group's core values directly reflect the most common themes shared by staff, patient representatives and other stakeholders during the engagement programme. The top aspirational values we need to nurture have been woven into the vision and mission statements and will form an important part of our Group organisational development plans.

We recognise that many people prefer to 'think visually' rather than to contemplate written word. For this reason we engaged the services of a graphic scribe, who attended a variety of discussion activities and created drawings to reflect the conversation underway. The consolidated picture, which draws out the common themes from all sessions, can be seen on the following page.


NHS
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Kettering General Hospital
NHS Foundation Trust
STAFF AND PUBLIC EVENTS
NOVEMBER 2020
A CHANCE FOR US TO SHARE OUR VISION (THE FUTURE)
"DEDICATED TO EXCELLENCE"
THIS IS ALWAYS DEVELOPING BASED ON YOUR FEEDBACK
AND OUR MISSION
AND OUR PRIORITIES
TO PROVIDE A BETTER PATIENT EXPERIENCE
AND CREATING SOMETHING NEW
BUILDING ON OUR SEPARATE HISTORIES
TOGETHER WE CAN DO GREAT THINGS
THE DOOR IS OPEN FOR COLLABORATION
BY BEING A LEADER IN:
CLINICAL EXCELLENCE
INCLUSIVITY
COLLABORATIVE HEALTHCARE
OUR VISION IS FOR OUTSTANDING PATIENT CARE AND STAFF EXPERIENCE
****!!
CAR PARKS!!
THE RIGHT CARE AT THE RIGHT PLACE IN THE RIGHT TIME
TO ATTRACT TALENT
HEY!
TO PROVIDE CHOICE
IT'S NOT ABOUT SAVING MONEY...
...IT'S ABOUT ENSURING HIGH QUALITY, CONSISTENT SERVICES FOR EVERYONE IN NORTHANTS
WE HAVE LISTENED TO DIVERSE GROUPS
ACCOUNTABILITY
KINDNESS, COMPASSION AND CARING
SUPPORTIVE, PATIENT
RESPECT
OUR EMERGING CORE VALUES
YOU ARE HELPING US DEVELOP OUR VALUES
THEY REFLECT WHO WE ARE
HEALTH WATCH, HEALTH AND CARE PARTNERS AND ACROSS THE ORGANISATION AT ALL LEVELS
ALL CONTRIBUTING TO HOW THE FUTURE IS SHAPED
TO PROVIDE EVERYONE WITH A VOICE
INTEGRITY HONESTY TRUST
OUR EMERGING ASPIRANT VALUES
INNOVATIVE
INCLUSIVITY
EXCELLENCE
COLLABORATION
SUPPORT
AND OUR CONVERSATIONS WITH YOU...
... HAVE GIVEN US KEY AREAS OF FOCUS
ALL OF WHICH...
COLLABORATION
BECOMING A UNIVERSITY HOSPITAL GROUP
HELPING ATTRACT TOP TALENT
INCLUSIVITY
DIGITAL INNOVATION
INCLUDING UNIVERSAL ACCESS TO NOTES
COMMUNICATION AND INFORMATION SHARING
ACROSS ALL STAKEHOLDER GROUPS HERE AND BEYOND
... WILL HELP US SUCCEED IN OUR MISSION
SAFE
COMPASSIONATE
CLINICALLY EXCELLENT PATIENT CARE
BY BEING AN OUTSTANDING EMPLOYER
#1
CREATING OPPORTUNITY AND SUPPORTING INNOVATION
WORKING IN PARTNERSHIP TO IMPROVE LOCAL HEALTH AND CARE SERVICES
INCLUDING SOCIAL

Performance summary

Throughout 2020-2021 system partners were galvanised around the Integrated Care Across Northamptonshire (iCAN) Programme. This programme built upon the progress initiated in March 2020 in which we worked together with our health and social care colleagues to ensure patients were transferred to the right facility on discharge. From this the iCAN programme was born and our teams have played a key role in taking this programme forward.

The iCAN aims are:

1. Ensuring we choose well: that no one is in hospital without a need to be there
2. Ensuring people can stay well
3. Ensuring people can live well: by staying at home if that is right for them

In Autumn 2020, as a system together we set out to deliver an assessment to quantify exactly what size the opportunities are, and to ensure we prioritise our efforts in the most effective way. We want to ensure we have the biggest impact on patient outcomes, as well as system operational and financial performance.

The assessment activities included data analysis, MDT case reviews, assessing the environment for change, and resulted in a clear vision for implementing change, the benefits for patients, staff and the system. This programme will therefore be key to how we move forward in 2021/2022.

In 20/21 we saw an overall decrease across the year of 25.5% in A&E attendances, including type 1 (emergency department), type 2 (eye casualty) and type 3 (Springfield - urgent treatment centre) attendances. This decrease was due to the impact of COVID-19 which saw the reduction of patients self-presenting. The decrease in attendances was seen throughout the year with the exception of March 2021 which actually saw a 10.8% increase in attendances.

During the year we continued to see the development of the Nye Bevan assessment unit for patients who may require admission to hospital. The Nye Bevan and Same Day Emergency Care Units (SDEC) are key facilities for our emergency patients to receive care often without the need for admission.

Winter and COVID were challenging across the health and social care economy. Elective operating focussed on ensuring our cancer and urgent patients continued to get treatment as some of our theatres became surge capacity for intensive care patients.

We continue to be a pilot site for the reporting on the new national standard for elective care. The pilot, which began in July 2019, remains in place and notes the average time to treatment.

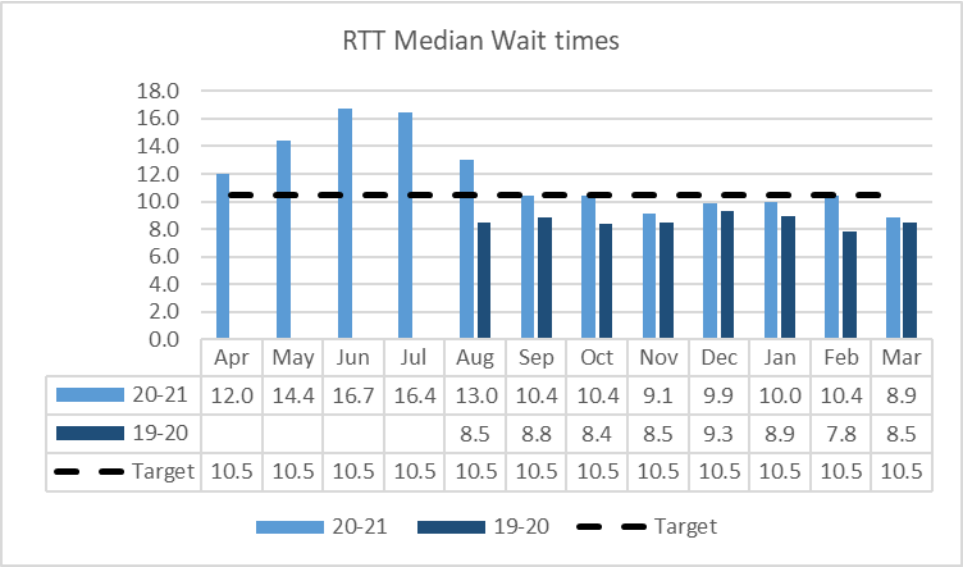
The 6-week performance for diagnostics was not achieved this year and was due entirely to COVID. During the first phase routine appointments were all cancelled

following government guidance. Once the services restarted they were also severely impacted by COVID guidelines which reduced the capacity available.

Activity

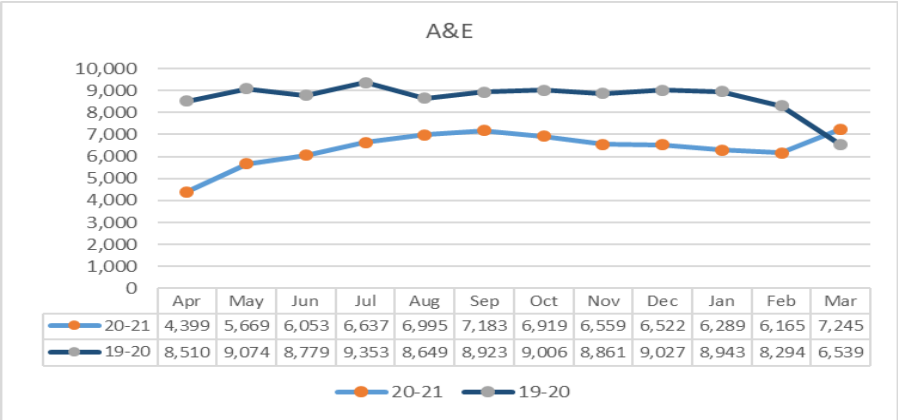
During the year we saw a decrease in emergency (non-elective) inpatient activity. Pressure on the Intensive Care Unit however intensified during the two waves of COVID resulting in the main theatre complex being used to create capacity to support intensive care. Elective capacity in the remaining theatre areas was used to treat cancer & urgent patients and to ensure there were suitable theatre areas to treat COVID and non COVID patients. We also worked in partnership with the private sector to treat some of our patients.

We remain part of the pilot of a new measure for RTT (Referral to Treatment) with a median wait used rather than the national 92% target. We failed to achieve the target from April to August but achieved it from September onwards despite the pressures through winter as the following chart demonstrates:



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
20-21	12.0	14.4	16.7	16.4	13.0	10.4	10.4	9.1	9.9	10.0	10.4	8.9
19-20					8.5	8.8	8.4	8.5	9.3	8.9	7.8	8.5
Target	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5

The decrease in A&E attendance largely relates to Type 1 (Emergency Department) activity as follows:

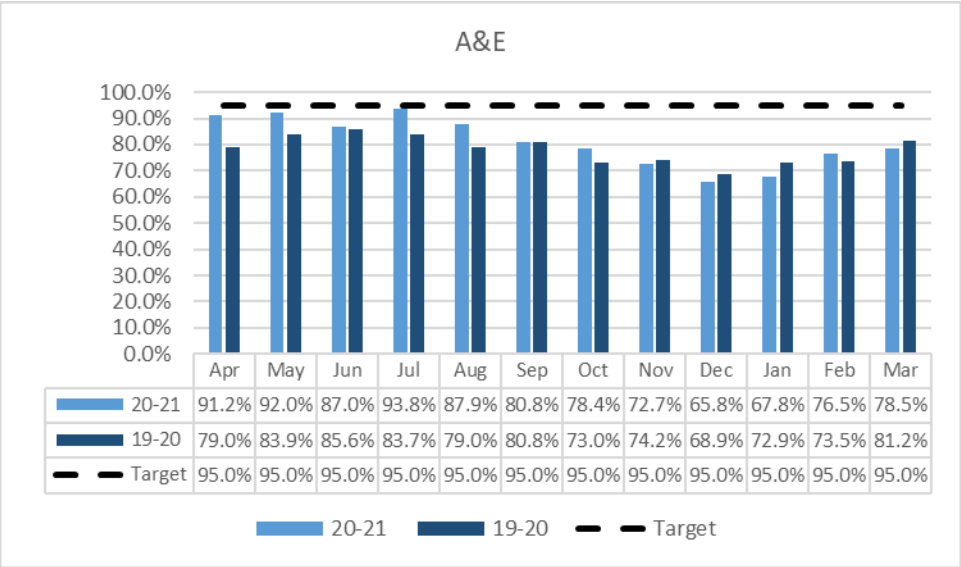


	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
20-21	4,399	5,669	6,053	6,637	6,995	7,183	6,919	6,559	6,522	6,289	6,165	7,245
19-20	8,510	9,074	8,779	9,353	8,649	8,923	9,006	8,861	9,027	8,943	8,294	6,539

National Performance Standards

Despite the decrease in attendances to A&E we have experienced significant challenges in meeting some of the national performance standards. The COVID pandemic required significant pathway changes in hospital to ensure our patients and our staff remained safe.

This was most notably observed in how the beds were managed were infection control guidelines had to be rigorously applied. This resulted in reduced elective activity and at times challenges on the availability of emergency beds as we are required to have pathways in place to manage COVID and non COVID patients separately. Unfortunately during the year we did see three patients who experienced a 12-hour trolley wait for a bed.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
20-21	91.2%	92.0%	87.0%	93.8%	87.9%	80.8%	78.4%	72.7%	65.8%	67.8%	76.5%	78.5%
19-20	79.0%	83.9%	85.6%	83.7%	79.0%	80.8%	73.0%	74.2%	68.9%	72.9%	73.5%	81.2%
Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%

A&E	Target	Q1	Q2	Q3	Q4
Percentage of Patients Seen (T1,2 & 4) waiting < 4 Hours	95%	89.9%	87.4%	72.4%	74.6%
Trolley Waits in A&E > 12 Hours	0	0	0	1	2

4-hour A&E standard

Cancer waiting times standard

Cancer pathways and the challenge of COVID were a major focus for us throughout the year. Performance against each of the standards was variable but the cancer teams focussed on reducing the number of patients waiting more than 62 days on a cancer pathway and the number of 104 day waits. However, a number of delays experienced this year were due to patient choice as the COVID pandemic increased patient reluctance to come to hospital for treatment.

The Cancer board has continued to meet throughout the year overseeing our strategic goals for cancer. Our teams have remained dedicated to improving the patient experience and outcomes for all patients on a suspected cancer pathway.

Cancer Waits 31 Day	Target	Q1	Q2	Q3	*Q4
31 Day First Treatment Standard - Target = 96% (Operational St	96%	93.5%	94.8%	96.0%	91.2%
31 Day Subsequent Treatment Standards DRUGS	98%	96.3%	97.9%	98.5%	98.3%
31 Day Subsequent Treatment Standards RADIOTHERAPY	94%	94.7%	95.1%	95.6%	95.3%
31 Day Subsequent Treatment Standards SURGERY	94%	82.1%	76.9%	72.7%	87.0%
Cancer Waits 62 Day	**Target**	**Q1**	**Q2**	**Q3**	***Q4**
62 Day First Treatment Standard- Target = 85% (Operational Sta	85%	86.8%	80.9%	76.1%	91.3%
62 Day Screening Standard - Target = 90% (Operational Standar	90%	88.2%	69.2%	91.7%	92.9%

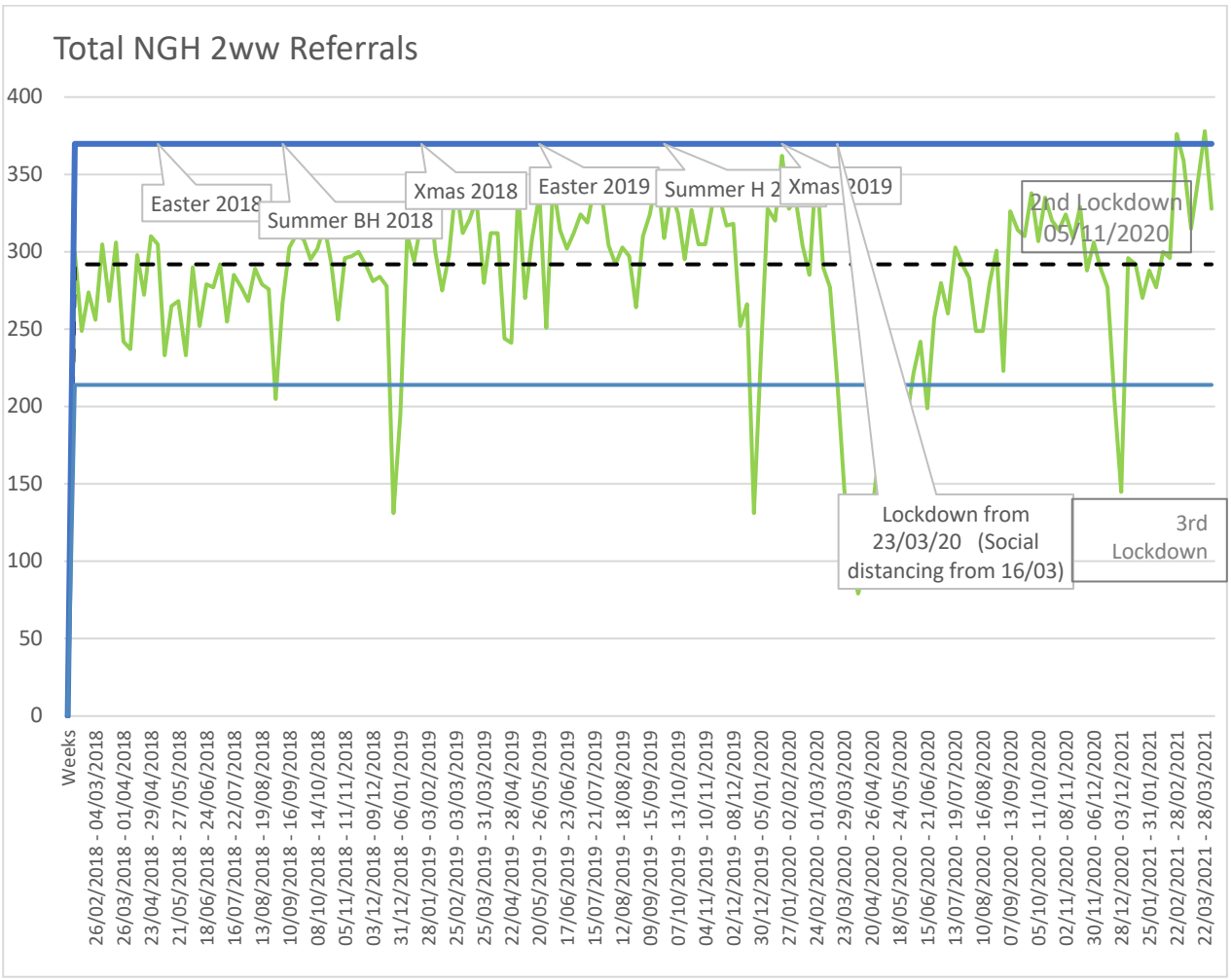
Performance against our strategic objectives

Cancer Waiting Times standard

Improving Cancer pathways and the challenge of COVID were a major focus for us throughout the year. Performance against each of the standards was variable but the operational teams supported by the Cancer Services team identified a number of priority areas to facilitate the reduction of the number of patients waiting more than 62 days on a cancer pathway and the number of patients waiting 104 day waits. The areas of focus included:

Patient engagement

During the early stages of the first wave of COVID the Trust saw a 65% reduction in referrals from GP's:



All patients on an active pathway remained so under national safety netting guidance. The Cancer Team developed a coding system to identify those patients' pathways affected by COVID, either due to patient-initiated delays or hospital suspension of milestones, such as endoscopy in line with national guidance.
The site-specific Clinical Nurse Specialists contacted patients on their caseload to undertake a "wellness call", identifying any exacerbation of symptoms that required urgent assessment and providing an on-going point of contact for any worries/concerns.

The Macmillan Information Centre undertook wellness calls to patients referred on the two week wait (2WW) system, identifying any changes in condition and providing an ongoing point of contact. They also kept in contact with patients who had declined an appointment reviewing dates of self-isolation and screening to enable patients to move along the pathway.

This proactive approach provided patients with the confidence to attend the Trust feeling their safety was paramount and allowed patients to express their worries or concerns reducing their levels of anxiety during a difficult time.

First Seen in seven days or less or Adopting Straight to Test Pathways

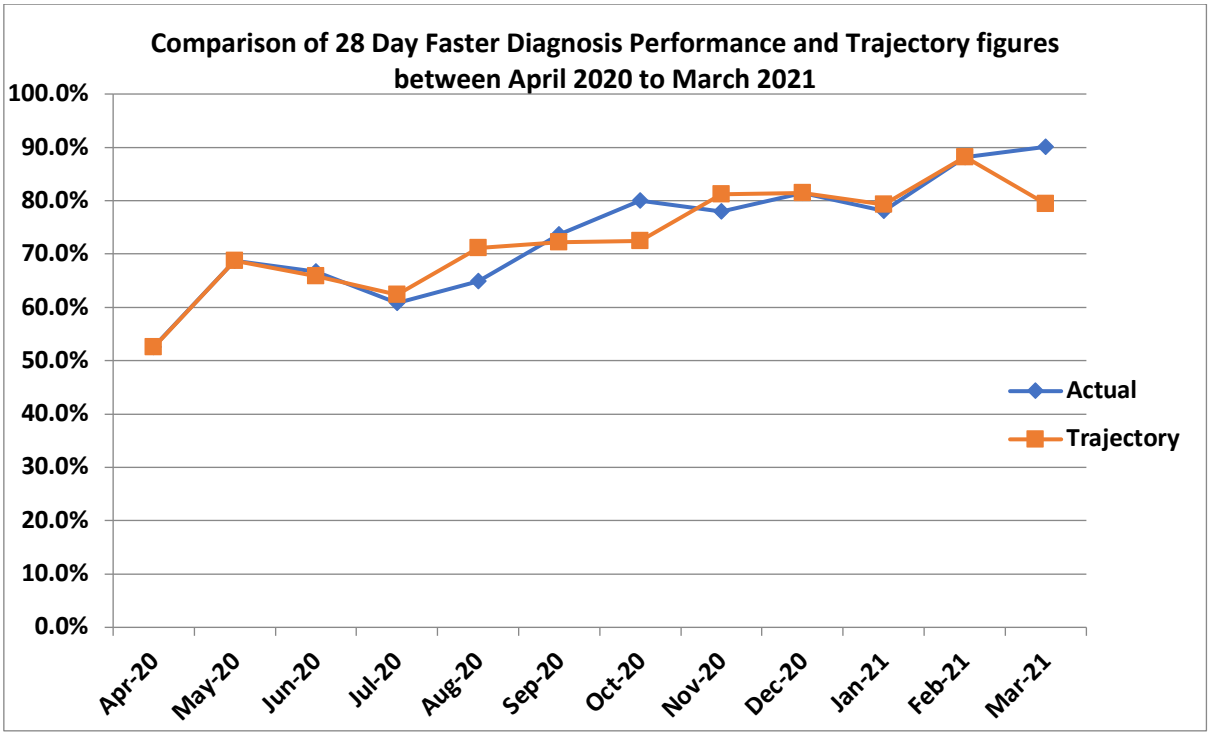
Pre COVID the Trust had struggled to achieve the 2 week wait standard.

During the reset of Cancer services in 2020 all teams were tasked to improve the time to first appointment to seven days rather than 14, implementing straight to test pathways where possible to support this improvement. Prostate, Colorectal, Lung, UpperGI and more recently the Skin service have undertaken radical pathway improvements in the past year.

During March 2020 17.8% of patients were seen in seven days or less, compared to 53% in March 2021, a huge improvement by all our operational teams.

Pilot 28 Faster Diagnosis Standard

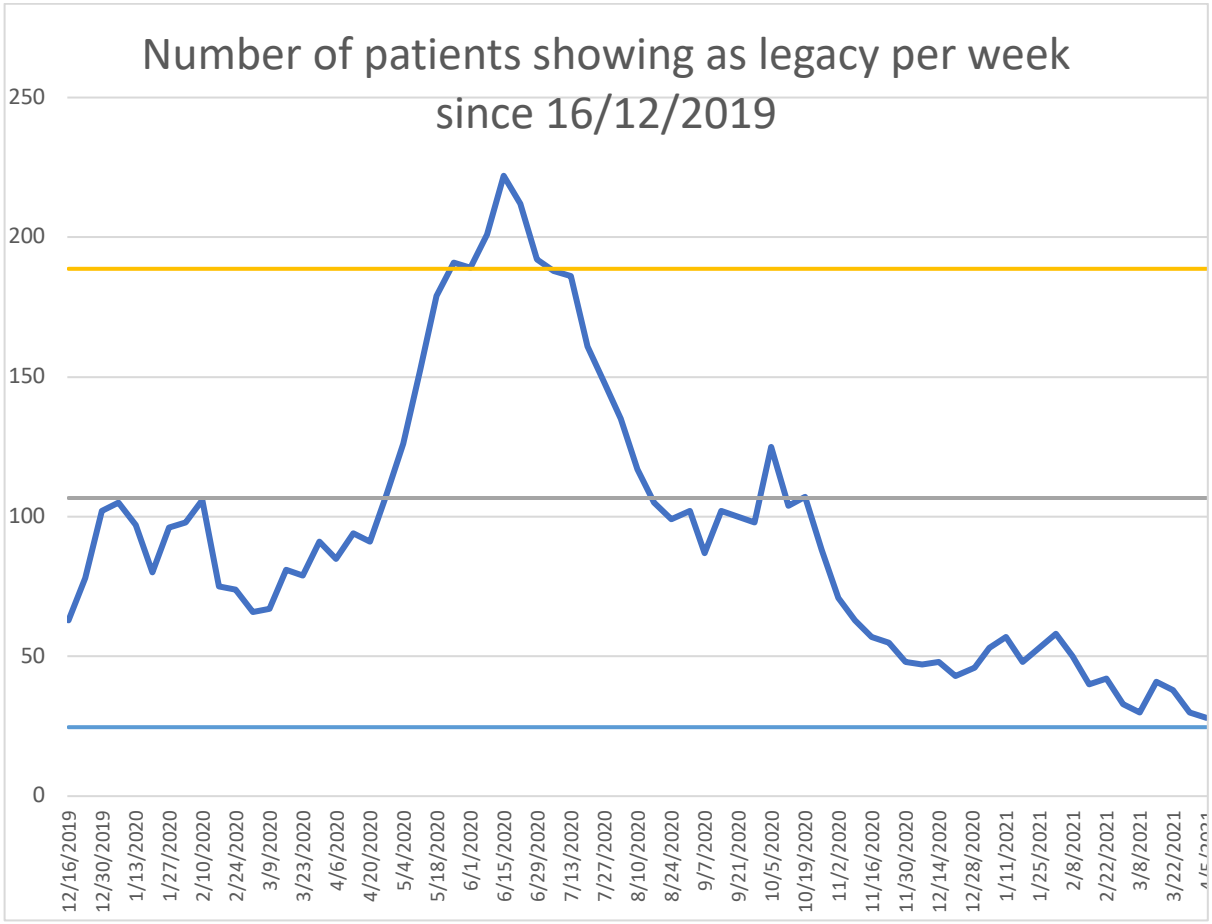
The Trust volunteered to be part of the National pilot measuring performance against the 28 Faster Diagnosis Standard. The aim of this standard was to rule out, diagnose and treat patients earlier in their pathway, leading to improved outcome and patient experience. Performance against this standard can be seen in the following chart:



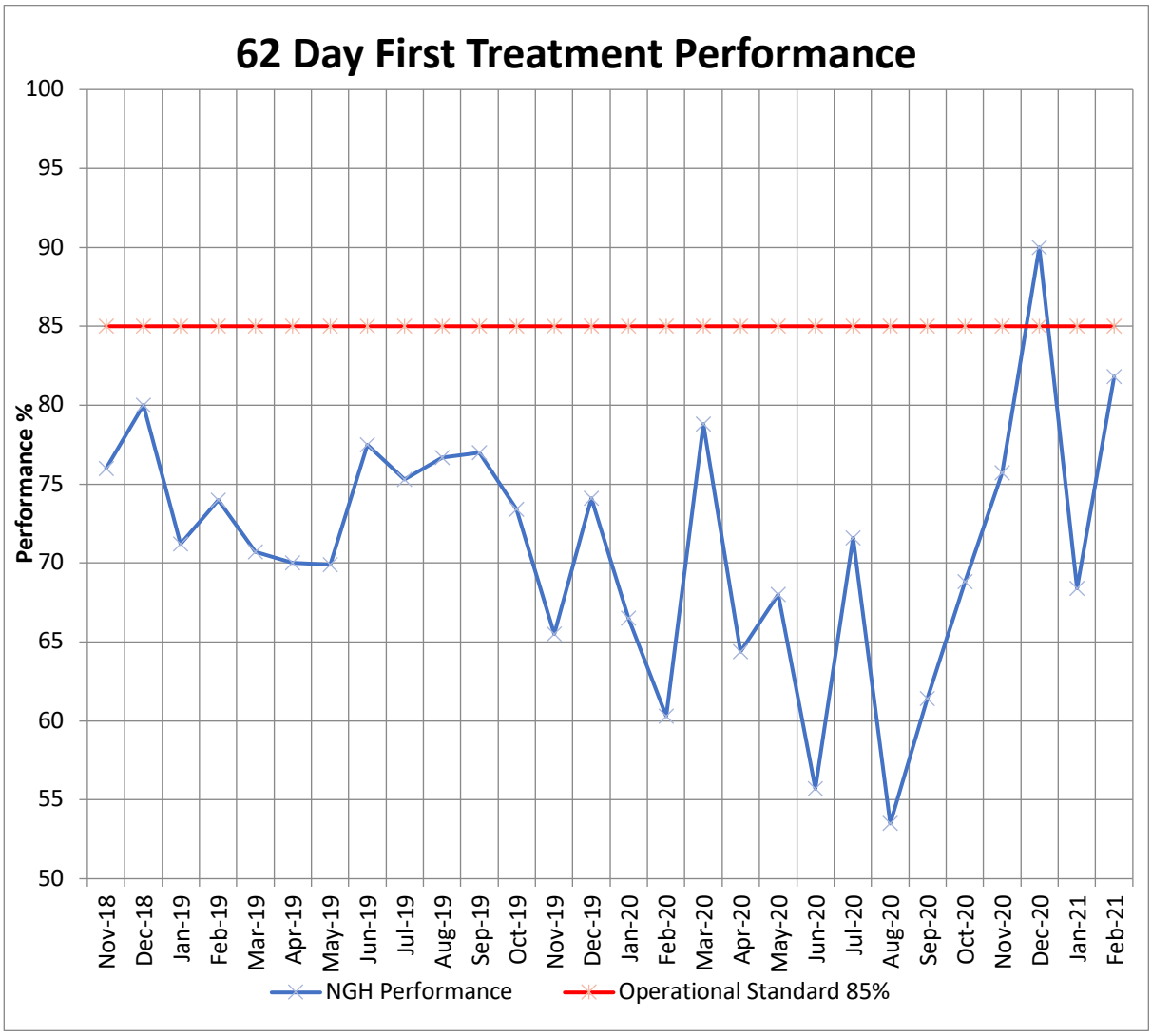
All Trusts will be measured against the 28-day Faster Diagnosis Standard from Quarter 3 2021, the standard is set at 75%. The Trust has been achieving this standard since October 2020.

Reducing Legacy Patients

At the peak of the pandemic the Trust had 222 legacy patients who had been on their pathway longer than 62 days. Ensuring these patients receive their diagnosis and treatment if required has been a key priority which has been supported by focussed tumour site meetings and an operational process aligned to ensure patient treatments were booked. The following chart demonstrates the reduction of legacy patients throughout the year:



The Trust Cancer Board has continued to meet throughout the year overseeing our strategic goals for Cancer. Our teams remain dedicated to improving the patient experience and outcomes for all patients on a suspected cancer pathway. This culminated in the Trust achieving the 62-day standard in December 2020 and achieving the best performance in the region for February 2021. The following chart demonstrates performance against the 62-day standard:



Finally the last chart below demonstrates our performance against the Cancer Standards in 2020/21:

Indicator Title					
Cancer Waits 31 Day	**Target**	**Q1**	**Q2**	**Q3**	***Q4**
31 Day First Treatment Standard - Target = 96% (Operational Standard)	96%	93.5%	94.8%	96.0%	91.2%
31 Day Subsequent Treatment Standards DRUGS	98%	96.3%	97.9%	98.5%	98.3%
31 Day Subsequent Treatment Standards RADIOTHERAPY	94%	94.7%	95.1%	95.6%	95.3%
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62 Day Screening Standard - Target = 90% (Operational Standard)	90%	88.2%	69.2%	91.7%	92.9%
Cancer Faster Diagnosis Standard	70%				
RTT	**Target**	**Q1**	**Q2**	**Q3**	***Q4**
RTT Average Wait Incomplete Pathways		16.7	10.4	9.9	8.9
Zero Tolerance RTT waits > 52 Weeks	0	210	591	553	723
A&E	**Target**	**Q1**	**Q2**	**Q3**	**Q4**
Percentage of Patients Seen (T1,2 & 4) waiting < 4 Hours	95%	89.9%	87.4%	72.4%	74.6%
Trolley Waits in A&E > 12 Hours	0	0	0	1	2
*Q4 is inclusive of Jan & Feb only					

Diagnostics

The COVID pandemic resulted in patients having their diagnostic procedure cancelled during the first wave of COVID which resulted in a backlog of patients requiring a diagnostic procedure. As we moved through the pandemic we had to ensure all diagnostic facilities were safe in terms of infection control guidelines and this further compounded the capacity available for diagnostic procedures. We have facilitated internal solutions through the year to increase capacity and clear the backlogs but as the following chart demonstrates the Trust failed to deliver the 1% standard (less than 1% of patients should wait over six weeks for their diagnostic procedure) in 2020/21:

Diagnostics: % of patients waiting less than 6 weeks for a diagnostic test	
April	**46.3**
May	**42.0**
June	**46.3**
July	**54.6**
August	**56.3**
September	**69.3**
October	**73.4**
November	**77.1**
December	**74.2**
January	**72.9**
February	**79.7**
March	**79.6**

Sustainability

NGH Sustainability initiatives are guided by our Board Approved Sustainability Strategy, which will be reviewed and refreshed in the coming year, as well as by opportunities to work with our local partners and staff feedback. Environmental Sustainability has also been incorporated into the revised Clinical Strategy.

Over the last twelve months

- Carbon emissions from heat and power have increased
- Water consumption has reduced
- Carbon emissions from inhaled anaesthetic gases have reduced
- The Trust has employed a dedicated Waste and Recycling Manager
- Investors in the Environment Green Accreditation has been maintained
- Awarded best waste reduction project by Investors in the Environment
- Highly Commended in the HSJ Awards Environmental Sustainability category
- Business mileage has reduced
- Single use theatre hats and gowns have been replaced with reusable alternatives

Energy and Scope 1 and 2 Carbon Emissions

Financial and usage data for the main utilities are shown below. Electrical consumption has reduced slightly, in part due to the number of staff working from home. Gas consumption was higher, as would be expected most of the increased consumption was in the winter months and is a result of the COVID related requirements to remove heat recovery in the heating system coupled with additional ventilation and therefore open windows being used to reduce the risk of COVID transmission.

	2018/2019	2019/2020	2020/21
Consumption Data			
**Gas kWh	48,718,086	53,404,918	56,298825
***Electricity kWh	16,184,305	16,149,232	16,097,978
Biomass	4,013,694	2,311,903	2,409,394
Water m^3	155,248	145,610	137,930
Business Travel miles	624,713	864,579	533,787
Financial Data £			
Gas	1,180,314	1,214,892	1,252413
Electricity	532,839	617,927	436,061
Biomass	131,399	204,646	176,301
Water	337,144	382,926	342,673
Business Mileage	307,344	375,389	212,749
Renewable Heat Incentive	(104,618)	(91,048)	(114,000)

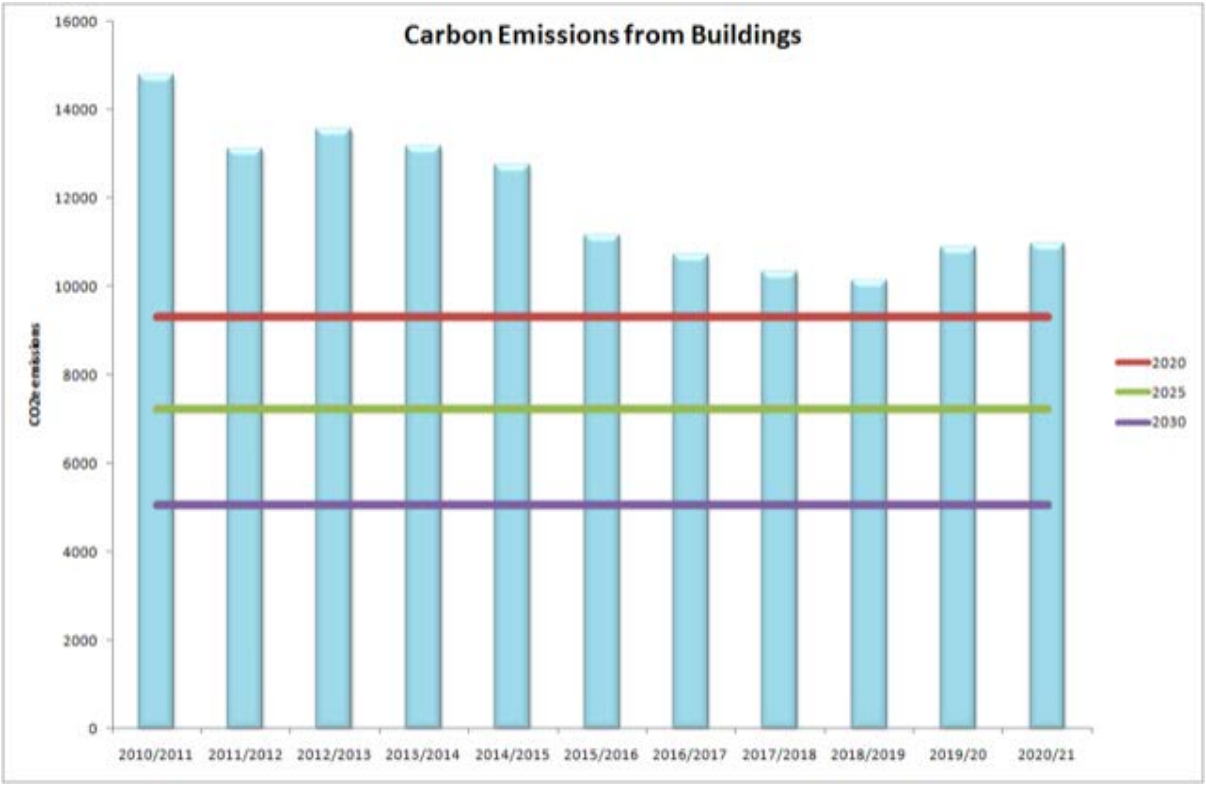
** includes gas to the CHP

*** includes electricity generated from the CHP and imported from the grid

The second phase of the heating equipment replacement has been completed meaning that all of the older units have now been removed from the site. The replacement of the Hospital Street Lights with LEDs is planned for the start of 2021/22 and a further Salix loan has been granted to replace lighting in a number of clinical areas with more efficient LEDs. This is in addition to the LEDs that have been put into wards when refurbished during upgrade works in 2020. The first solar panels will be put on the NGH roofs in the Summer when the new ITU is opened. In October 2020 the NHS announced it would be carbon net zero by 2040 for all direct emissions; the Trust is therefore creating a carbon management plan to meet the first set of interim targets.

Carbon emissions increased slightly compared to the previous year due to increased gas consumption from the ventilation changes made to reduce transmission of COVID.

The progress of NGH in reducing carbon emissions from buildings is shown below along with the targets for 2020, 2025 and 2030. Reductions in emissions are in part a reflection of increased renewable energy feeding into the grid. Each year NGH purchases Renewable Energy Certificates from EDF, our electricity supplier, which offsets over 500 tonnes of CO2e. For this year the majority of the electricity was purchased on a renewable energy tariff, for future years this will apply to all site electricity.



Scope 1 and 2 emissions are directly under the control of the Trust, as well as gas and electricity this also includes air conditioning refrigerants and anaesthetic gases. Although data for these is not available back to 2010, targets will be introduced to reduce these to net zero by 2040 based on the earliest data available.

Greenhouse gas emissions from refrigerants were calculated to be 232 tonnes in 2020/21, approximately half that of the previous year.

Inhaled anaesthetic gases have a significant environmental impact in terms of greenhouse gas emissions. The impact varies depending on the agent and the carrier gas used (nitrous or O_2).

	2016/17	2017/18	2018/19	2019/20	2020/2021
Isoflurane	3	3	16	16	9
Sevoflurane	64	78	67	58	31
Desflurane	714	682	695	366	58
Anaesthetic N_2O	543	563	437	571	348
Portable Equanox N_2O	440	486	450	336	304
Maternity Entonox	1346	1241	906	801	890
TOTAL CO2e (Tonnes)	**3110**	**3053**	**2571**	**2147**	**1540**

Anaesthetic gas reduction is one of the targets of the NHS Long Term Plan, in particular, the reduction of the greenhouse gas emissions from using desflurane which is the most damaging of the three volatile agents used for anaesthesia. The target to reduce desflurane to 20% by volume has been increased in the latest NHS contract to a 10% target. The majority of the desflurane usage was during the summer months after theatres reset following Covid. Since the autumn the desflurane has once more been removed and volumes have reduced to only a few percent for the last three months of the year. Percentages for the different agents are shown below, these show the steady reduction in the use, but are more appropriate given the reduced number of operations carried out in the Trust during COVID.

	Sevoflurane	Isoflurane	Desflurane
2018/19	338,000mL 62%	20,750mL 4%	187,920mL 34%
2019/20	293,500mL 74%	21,250mL 5%	98,880mL 24%
2020/21	157,000mL 85%	21,250mL 7%	15,600mL 8%

Water

Water consumption has reduced. This is due to the reduced activity on the site and the move to home working for between 10% and 18% of staff. Water use has reduced by 5% a saving of 7680m^3, the equivalent of three Olympic swimming pools.

Waste

In December 2020 NGH employed a dedicated Waste and Recycling Manager, with experience in waste management for both the NHS and the private sector. The team of porters who have responsibility for the waste have moved over from General Portering to a new waste team which sits under the Waste and Recycling Manger. As part of the creation of a new team there have been improvements welfare and equipment including the installation of a new baler to increase payloads of recycled card and provision of a new rest room to provide welfare area in a clean and comfortable environment.

The main focus this year has been to manage the additional clinical waste levels resulting from COVID in a safe and compliant manner. Clinical orange bagged waste increased by 216 tons representing 62 % increase on the previous year. The waste team were able to mitigate the impact of additional waste by adapting their practices and bulking offensive waste prior to disposal which meant that the hospital experienced no adverse effects from the increase of clinical waste and subsequent pressure on the waste management capacity. Total clinical waste levels in the last year have increased by approximately 22% rising to 945 tonnes*, a reflection of increased activity across the Trust.

Unfortunately due to COVID, both as a result of the waste diverted to the clinical waste stream and the impact of many staff working from home, the level of recycling has decreased by 41%. A waste plan has been developed identifying specific waste and recycling improvements that will increase recycling through targeted projects. The plan includes a target for a 25% increase in recycling by 2025 using a base line of the average volumes of recycling from three years preceding 2020/21. Included in the plan are initiatives for improved clinical waste segregation based on the proposed NHS Strategic Plan moving toward a 20:20:60 ratio (20 High Temp Incineration: 20 Alternative Treatment: 60 Offensive Waste). To achieve the desired ratio NGH will have to divert more clinical orange bagged waste into offensive waste wherever permissible to do so.

The Waste Group has been restarted with a clinical lead, thereby providing an important avenue of communication between the Waste Manager and clinical staff, enabling a better understanding of influencing factors in relation to waste management. To support improved waste segregation the clinical areas are audited regularly in conjunction with IPC.

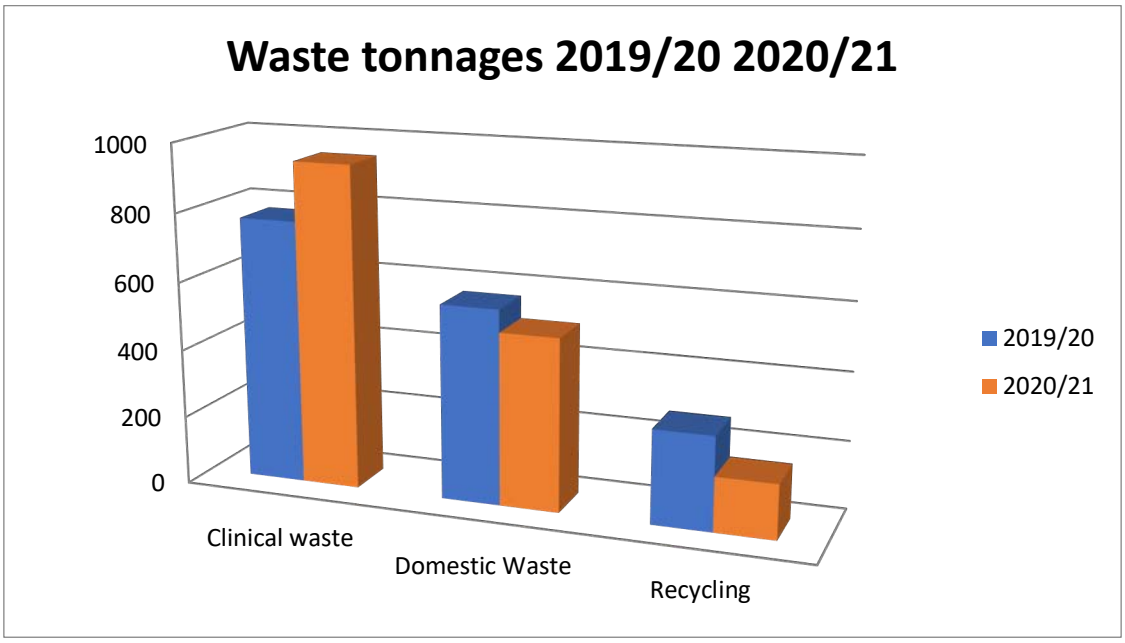


*figure includes an estimated 60 ton of offensive waste due to actual weight being unavailable at time of reporting

Plastics Reduction

During the first wave of COVID there was a return in many areas to single use plastic catering items. However, this was reversed part way through the year, and the catering department reset to using reusable items where possible, and non-plastic items where the supply was available.

In the coming year, the focus in catering will be to reduce the use of condiment sachets, the items used for reheatable meals and the small pots used to serve items such as mayonnaise with patient meals.

The gift of a reusable travel mug from recycled coffee cups by the NHCF charity will help to drive planned reductions in single use coffee cups.

Further work is planned to look at plastics reduction in other parts of the hospital, starting with theatres.

Remote Working

As part of the response to COVID, the Trust's plans to enable agile working and remote consultations were accelerated. At the peak of the second wave, up to 877 staff have been working from home on any one day, representing 18% of the workforce. Assuming that we have averaged 10% of our workforce working from home we will have reduced the carbon emissions of the commute by 760 tonnes, resulting in 2.8 million fewer miles, and saved the local healthcare economy £80,000 in costs relating to pollution related diseases and accidents.

In addition this has reduced the business mileage by 330,792 miles, and, although some of this will return once lockdown restrictions are lifted and face to face meetings are reinstated, there will be a continued use of online meetings in the future.

NGH has also started remote consultations; 5,560 have been carried out, and, in addition an online pre-operative assessment tool has been created which will also reduce visits to site. This has saved approximately 110,000 patient miles, as well as time and a reduction in local pollution and CO2. Patient feedback has been positive.

Reusable PPE

Thanks to a grant from charitable funds in 2019 NGH has been putting in place reusable named theatres hats.

As well as an environmental improvement, this initiative is also a patient safety improvement.

To date over 3700 have been given to staff, as well as for mum, dad and birth partner and for patients in some theatres.

This has greatly helped when there were difficulties with the supply of PPE. In addition, NGH were one of the first trusts to move to reusable gowns in theatres and ITU – saving over 52,000 gowns weighing almost eight tonnes from clinical waste between August and February.

Travel Survey

The Travel Survey carried out in 2020 had almost 1300 respondents. Results were similar to previous years with 77% of staff travelling to work by car on their own with just over 15% travelling by active travel or public transport.

The average journey length was 11.48 miles, which, for a staff of 5,000 results in an annual commute of 27.5 million miles, although there was a very low return from lower staff bands who are likely to live closer to the hospital.

In a standard year this would result in carbon emissions of approximately 7,600 tonnes.

Awards and Events

COVID has prevented any events relating to sustainability in the last year, including the cancellation of the planned NHS Sustainability Day event. A presentation about the sustainability actions at NGH was given to Leicester Medical Students in February, and to a veterinary congress in March.
The work of the Catering Team was awarded best waste reduction project by Investors in the Environment. NGH were also awarded Highly Commended in the HSJ Awards Environmental Sustainability Category. The submission which included anaesthetic gas reduction, homeworking and remote consultations, named theatre hats and plastics reduction was singled out because '*The service and the patient are evidently at the heart of what they are doing'*

Actions for 2021/22

- Refresh the Sustainability Strategy using the results of the Sustainability Survey and the SDAT to prioritise actions.
- Creation of a Carbon Management Plan for the next five years to include all areas within the Net Zero 2040 target.
- Trials to reduce food waste from patient areas
- Installation of additional cycle storage
- Review the use of single use plastics and opportunities for reduction in theatres.
- Review the options to incorporate further renewable energy options within the NGH Estate, particularly for new build projects.
- Review options for Electric Vehicles and Charging points as part of the refreshed Green Travel plan.
- Review the options for the implementation of a series of pool cars and a car club scheme.
- Implement routine monitoring of air pollution around the site to determine the impact of any changes in vehicular movements.
- Commitment to plant at least two trees for every tree removed on site.
- Review potential of green walls/shading as part of a new Biodiversity strategy
- Review Scope 3 emissions to determine areas of opportunity for reduction and review accuracy of calculations

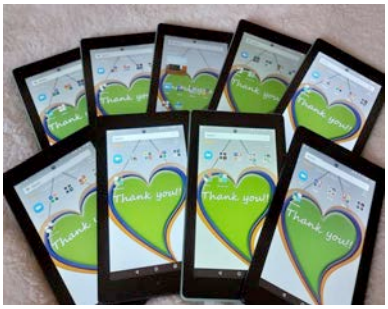
- Work to further reduce single use PPE consumption in the Trust – replacing with reusable options where possible.
- Work to reduce the prescription of metered dose inhalers.
- Create a plan to reduce the emissions resulting from the use of Nitrous Oxide and Entonox
- Review opportunities to include sustainability and SusQI within the academic education programs and create a module to fit into the programme.
- Review opportunities to create local green groups within the different trust specialities e.g. Pharmacy, Anaesthetics and establish an Environmental Shared Decision-Making Council.
- Contribute to the local Northamptonshire Climate Change Strategy
- Collaborate with KGH to create joint sustainability plans and initiatives
- Review Circular Workwear Initiatives to increase textile recycling
- Investigate options for furniture and electrical item refurbishment and re-use
- Review battery use with an aim to reduce where possible
- Implement Waste Plan proposals to increase recycling

Patient experience

Supporting patients and families during the pandemic

The pandemic posed a number of challenges in terms of patient experience and ensuring that patients received the support that they would require during this time. When visiting was suspended, a number of initiatives were set up by the Patient Experience Team, the Volunteers Service and the PALS & Complaints team to ensure patients were kept connected with their loved ones, received the essentials and home comforts that they would need during their stay, and also have entertainment to alleviate boredom and isolation. This report will outline these and the impact that they have had on our patients and their families.

Electronic Tablets on the wards



Within four days of visiting being suspended, IT provided the patient experience team with a number of iPads. With the support of the Communications team, these were configured and handed out to the Covid admission wards. These tablets were uploaded with apps including Zoom for video calls and also apps for entertainment including BBC iPlayer, crosswords, colouring in and many others. In addition to this, to further support the rest of the hospital, the Northamptonshire Health Charity Foundation (NHCF) funded a number of Kindle Fire devices. Within weeks of visiting stopping, every ward had been given a pack including a tablet, user guides for staff and patients including one on how to use Zoom, chargers and earphones. Following the second wave of Covid-19 and Christmas approaching, a further set of Kindle Fires were funded by the charity meaning a number of wards had more than one. This meant virtual visiting could take place over the Christmas period and has continued throughout the year.

Virtual Visiting

In addition to the ward-based tablets, the Volunteers established a Virtual Visiting facilitated service that enabled families and patients to book a facilitated call. This has proven invaluable, as it offers not only support to the families and patients, but also to the wards who are often extremely busy. In total, the Volunteers have facilitated 3469 video calls in addition to those facilitated by the wards through the donated tablets. This has been hugely successful, and the service have been able to facilitate the virtual attendance at funerals and contact between couples on different wards.

Patient Property Drop off Services

When visiting stopped it became evident that we would need to establish a way for patients to be given their belongings, particularly those that were rushed in as an emergency. The volunteers established a drop off service which has run throughout the pandemic. Belongings which are dropped off are then delivered to the wards the same day.

Letters to Loved Ones

Keeping patients connected with their loved ones is important and patients are not always comfortable with using mobile phones. Therefore we established an email address where loved ones could send letters and/or pictures to the patient. These are then printed by the patient experience team and delivered the same day by the Volunteers if they are received by 3pm. The Volunteers have also provided cover for weekends and the Patient Experience team came in on Boxing Day to ensure letters reached patients over Christmas. Those that mentioned Christmas were placed into a Christmas card for the patient. Any letters received for ITU/HDU are laminated for infection control. To date, since initiation in April 2020, 2241 emails have been received, printed and delivered to patients. Feedback from families has been very positive:

'I just want to say a huge, heartfelt thank you, as this service meant more to me than you will ever know.'

Connected Hearts

The pandemic has proven to be a really difficult time for bereaved families, particularly those that are not able to be with their loved ones if they are shielding or isolating themselves. To support bereaved families we have set up Connected Hearts. Each heart is handmade by a member of the public and has a matching pair. When a patient passes, one of the matching hearts is kept with the patient, the other is packaged with a card with special words on it in an organza bag and given to the loved one of the patient. The packaging has all been funded by NHCF.

Toiletries & Clothing

Many patients find themselves in hospital without essentials which they need. With the support of the NHCF and social enterprise Giving World the patient experience team have been able to continuously provide the wards with toiletries and clothing for patients to use and keep. This includes shampoo, conditioners, deodorant, hand cream, toothbrushes, toothpastes, nightgowns, pyjamas, coats, joggers and many more items.

Supporting patients to give their feedback during the pandemic

Hearing from patients during the pandemic has been important and despite the call from NHS England to no longer have to collect and report the Friends & Family Test, the hospital continued to do so through text messages and automated calls. This has proven extremely valuable, both in providing assurance that patients have had as good experience as possible, but also to provide the staff with the many thank you's

and messages of appreciation. All negative feedback has continued to be collated, analysed and passed onto the services. For example, from the comments received relating to tele-consultations we were able to identify that one service was having difficulties which were affecting patients. We were able to rectify this from the feedback and it was no longer mentioned in following months. In addition to this as another example, attitude and behaviour of staff within ED was picked up as an area of concern. This raised concern on the wellbeing of the staff within the department and Organisational Development were able to step in to offer support.
In addition to the methods already in use to collect the FFT, the hospital were able to further utilise other digital methods including online surveys with QR codes. These have proven popular and the hospital now has 14 live local surveys, one of which collects hundreds of pieces of feedback a week from the Vaccine Centre. The centre have been able respond quickly to any negative experiences and ensure changes are made.

Moving forward

The pandemic has proven to us that technology can be our friend and there is no reason that we should go backwards and lose everything that we have created. The intention is to continue harnessing digital methods to collect feedback. In addition to this, the pandemic has decreased the amount of reporting taken place, giving an opportunity to revise and reconsider the ways in which we analyse and collate data. One aspect of this will be around ‘re-humanising’ patient experience with a focus on the use of Digital Stories for learning and moving away from a heavily data-oriented service. Communication continues to be a theme of dissatisfaction for the hospital and as part of the work to improve this, an overhaul of the current developing patient information policy and procedure will be undertaken to ensure patient information developed is of high quality and is accessible to all. This again will harness the power of technology through creating leaflets that are on the website and can be translated into multiple languages. The next year provides the opportunity to reset and restart the way in which we want our hospital to work and as part of this a new Patient Experience & Engagement Strategy will be developed.

Emergency Preparedness

As part of the NHS England Emergency Preparedness, Resilience and Response (EPRR) Framework, providers and commissioners of NHS funded services must show they can effectively respond to major, critical and business continuity incidents whilst maintaining services to patients.

During 2019/20 we have responded to a range of threats to patient and public safety, drawing on experience and expertise within the Trust. Of these incidents, dominant has been the NHS's response to the COVID-19 pandemic. This emergency, unprecedented in scale and complexity was declared a Level 4 national incident on 30 January 2020. Established EPRR response coordination processes were enhanced, and the Trust operated under a 'command and control' structure as defined under the EPRR guidelines. Key specialist cells were established with responsibility for infection control guidance, supplies, testing and vaccination.

COVID-19 had, and continues to have, a significant impact on our ways of working. However, we have adapted in an agile way. The implementation of Microsoft Teams as our main video conferencing tool was instrumental in enabling a quick swift move to offsite working. We quickly developed extensive guidance to support our staff and provided weekly updates to wide ranging frequently asked questions relating to COVID-19 and new ways of working. A key focus was resourcing and included enabling a number of our staff to be re-deployed into COVID-19 related activity such as our Incident Coordination Centre.

In addition to the response to COVID-19, significant work also went into preparation for the UK's departure from the European Union (EU). Specific plans were created to ensure the Trust was prepared for EU Exit in conjunction with the Department for Health and Social Care (DHSC) and wider government regarding medicines supply chains. Information on the EU Settlement Scheme and support for EU staff was provided through trust wide briefings. We continue to provide support and information on developments in order to retain our valued EU staff.

NHS England has an annual statutory requirement to formally assure the NHS in England's readiness to respond to emergencies. To do this, NHS England and NHS Improvement ask providers of NHS funded care to complete an EPRR annual assurance process. A revised format for 2020 resulted in a local review of the core standards being undertaken with NHS England. Pending formal confirmation, it is expected that the trust will maintain a level of full compliance.

Group Chief Executive Officer

SECTION TWO:

ACCOUNTABILITY REPORT

Corporate Governance Report

The Governance statement

1. Scope of responsibility

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

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Northampton General Hospital NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northampton General Hospital NHS Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Governance arrangements for risk management are as follows:

- **Group risk management:** Northampton General Hospital (NGH) and Kettering General Hospital (KGH) Foundation Trust are working together under a Group Management Model to strengthen acute care service provision across Northamptonshire, under the leadership of a jointly appointed Chair and CEO for both Trust Boards.

  A common approach of working across both organisations with emphasis on acute pathway transformation and quality improvement is recognised as a priority. Working in a Group Model across both organisations maintains the statutory duties and responsibilities of two separate Trust Boards.
  As part of the collaboration planning work, and to facilitate the seamless implementation of Group Priorities following approval by Boards in January 2021, both Trusts have established Finance and Performance, Quality and People Committees in Common. Committee in Common meetings are a recognised governance approach that enables collaboration between

organisations to take decisions together on projects that cross boundaries without compromising the integrity of their own statutory requirements. These committee will be responsible for reviewing and monitoring any strategic risks to both organisations but will retain separate Board Assurance Frameworks and Corporate Risk Registers.

- **The Group Chief Executive**: takes Board-level responsibility for governance, including risk management, and has overall responsibility for maintaining an effective risk management system and for meeting all statutory requirements. Executive directors and clinical directors have delegated responsibility for governance and risk management arrangements within their areas of control.

- **Board of Directors:** The Trust Board and Group Chief Executive ensure that the risk management arrangements are implemented, monitored and reviewed, and meet all legal and regulatory requirements. The Board receives reports from the Audit Committee, the Finance and Performance Committee, the Quality Governance Committee and the People Committee on the Trust's risk control measures.

- **Audit Committee:** The Audit committee has overall responsibility for independently monitoring, reviewing and reporting to the Trust Board on all aspects of governance, risk management and internal control. It is supported in this role by all Board Committees.

- **Finance and Performance Committee:** The Finance and Performance committee undertakes on behalf of the Trust Board objective scrutiny of the Trust's financial plans and major investment decisions. Additionally, it is responsible for overseeing the delivery of all key performance metrics and is also responsible for the oversight of the Trusts IM & T, Estates and procurement functions. Latterly in year the delivery of IM & T key performance metrics has been overseen by the Group and Hospital Digital Committees.

- **Quality Governance Committee:** The Quality Governance committee monitors, reviews and reports on the quality and safety of services provided by the Trust. This includes the review of governance, risk management and internal control systems to ensure the delivery of safe, high quality, patient centred care.

- **People Committee:** The People Committee monitors, reviews and reports on the organisational development and workforce performance of the Trust. This includes the achievement of associated key performance indicators and advising the Trust Board on key strategic organisational and workforce initiatives. In year the People Committee has been revised to a joint Committee in common meeting with KGH.

- **Assurance, Compliance and Risk Group (ARC):** The ARC Group is chaired by the Director of Corporate Development, Governance and Assurance providing executive oversight of risk management issues. The group is

responsible for ensuring the development and implementation of effective systems and processes for risk management at each level of the Trust.

- The Trust has a Governance team with a focus on integrated risk management. The team support the process of identification, assessment, analysis and management of risks and incidents at every level of the organisation and aggregation of results at a corporate level.

- In each of the Trust's Divisions the Divisional Director has lead responsibility for governance and risk issues and is responsible for coordinating risk management processes, including management of the Divisional risk register supported by the Divisional manager. The Divisional management groups have responsibility for monitoring, managing and where necessary escalating risks on their risk registers and significant risks are reviewed at monthly performance review meeting.

- **Data Governance Group:** The purpose of the group is to set a clear direction of travel in respect of Data & Information Governance and to provide the Trust Board with the assurance that effective governance for data quality & protection is in place. The Data Governance Group is attended by key stakeholders across the Trust which includes clinical and operational leaders.

  At the start of the year the Chief Information Officer was the Trust's Senior Information Risk Owner (SIRO), latterly in year this role has been undertaken by the Group CDIO. Working closely with the Medical Director as Caldicott Guardian, the SIRO is responsible for taking ownership of information risk and advising the Group Chief Executive accordingly.

- Risk management training is delivered to staff in accordance with the Trust's risk management training needs analysis. This begins at corporate induction which all staff are required to attend.

- There is clear policy and guidance on the type of courses that staff need to attend, and the frequency of attendance required. Attendance at mandatory risk management training courses is monitored and fed-back to Divisions and corporate directorates via a central monitoring database which allows corrective action to be taken by management teams as required aimed to improve and sustain attendance rates throughout the year.

3. The risk and control framework

The Trust has adopted an integrated framework for risk management supported by policies and procedures. This provides a comprehensive framework for the management of principal risks and is mapped to the Trust's principal and strategic objectives. These are in turn mapped to the risk register to assess the potential risks that threaten the achievement of the Trust's objectives, the existing control measures and assurance in place.
There is an established governance framework for risk management which includes high level committees, Trust Board and Quality Governance

Committee and their sub committees including the Assurance, Risk and Compliance Group (a sub-group of the Quality Governance Committee) to divisional governance committees and department level risk groups.

The Risk Management Strategy was reviewed in November 2020.
The Trust policy for the Assessment and Management of Risk was approved in December 2019 and is next due for review in April 2021. The policy sets out the approved Trust framework and procedures for risk assessments, risk scoring and management of risks.

The policy provides a clear definition of risk and distinguishes between risks and hazards. Roles and responsibilities are also clearly defined which includes corporate committees and senior staff members; divisional, directorate and departmental responsibilities, and those of individual staff members. Assessment, management, and monitoring of risks within the Datix system are also included.

The policy details the agreed definition of risk appetite, which is consistent with the Risk Management Strategy.

The ARC Group continues deep dives into the Divisional Risk Registers in year to provide support and guidance with regard to content and identify best practice to improve clarity of the risk register content. Feedback is also provided to the Group from Internal Audit Reviews and standard templates for reports are provided.

The risk management system is continually reviewed to ensure that robust systems are in place at all levels within the Trust. The risk register is an integral part of the system. Amendments to the risk register are generated and actioned at directorate, division and corporate level.

Communication and consultation is undertaken with internal and external stakeholders when appropriate. The Trust has continued to develop communication channels with its partners, and within the Trust. Regular reports are prepared for directorates and divisions, the Quality Governance Committee and the Trust Board on the incidents reported, both clinical and non-clinical.

There is an established Internal Audit programme approved by the Audit Committee in the Internal Audit Work Plan. The Audit Committee receives reports which provide assurance of the Trusts key internal control objectives. The Internal Auditor presents an Annual Audit Opinion to those charged with governance on the overall level of assurance for the system of internal control. Internal Audit recommendations are tracked in a system to record action taken and completed.

The Trust has an established Counter Fraud Service provided by a Local Counter Fraud Specialist (LCFS). In addition to investigation work the LCFS carries out an agreed amount of proactive work. The LCFS regularly attends the Audit Committee meetings and reports back to the Director of Finance and the Audit Committee on any proactive or reactive work undertaken. The LCFS

also provides feedback to the Freedom to Speak Up Guardian in regard to any referrals made from that route.

The Trusts External Auditors conduct an Annual review of the Trust's control environment and present an Annual Report to those charged with governance in the form of an Annual Audit letter.

The Trust has a range of approaches in place to ensure that short, medium and long-term workforce strategies and staffing systems are in place which assures the Board that staffing processes are safe, sustainable and effective.

The People Committee regularly receives assurance reports in respect to safer staffing to ensure adherence to the National Quality Board requirements 2018. This assurance includes the provision of monthly safe staffing review and six-monthly Safe Staffing Review of Inpatient Staffing Levels. Assurance against the requirements of the NHSI 'Developing Workforce Safeguards' guidance is reported and monitored through the People Committee.

The Trust uses a range of workforce-planning methods:

- Professional judgement method – multi- disciplinary teams (MDTs) of lead clinicians and managers consider workforce requirements. Using their professional judgement, MDT's will review the current performance standards, financial performance, patient feedback and commissioning intentions and consider the benefits/risks of alternative skill–mixes as part of this approach.
- Workload quality method – the Trust uses evidence-based tools to calculate staffing levels based on a variety of inputs, including the Safer Nursing Care tool, Birth Rate plus for maternity services, in addition the Trust uses the Allocate Acuity data, to ensure that the nursing establishment supports the staffing level and skill mix for each ward.
- Triangulation of the above with quality, patient feedback, workforce and workflow metrics.
- Benchmarking internally and externally (where information is available and applicable).

The workforce planning approach detailed above informs the outputs of the annual business planning cycle. Divisions establish their future workforce requirements modelled against planned activity, service developments and financial planning.

Clinical teams have access to key performance data. Data sources for dashboard indicators include staff HR metrics (e.g. staffing levels, sickness levels and bank staff usage), patient feedback, numbers of complaints, audit outcomes, numbers of incidents reported and CQC self-assessment rating (NB this list is not exhaustive).

The Trust's Board and its committees receive triangulated data in a number of key documents including the corporate dashboard, Board Assurance

Framework and as part of Patient Safety, Safer Staffing, Workforce and Financial reports. The Trust utilises the information in a number of ways, to:

- assure the Board that the systems and processes are working to identify risk or good practice/outcome;
- challenge the data and request further information;
- identify internally driven, focussed pieces of quality work;
- review dashboards;
- formulate ideas for change or for new ways of working;
- review the Corporate Risk Register;
- identify new quality indicators aligned to transformational programmes; and
- promote quality across the organisation utilising key messages/themes.

The People Committee, a Joint committee in common of both Northampton General and Kettering General Hospital Foundation Trust Boards, has delegated responsibility for ensuring that any workforce/staffing changes are undertaken with the associated findings reviewed and discussed. The NHSI Developing Workforce Standards offer a framework for this to be undertaken. Work over the past year to enable more robust staffing assurance has included nurse and midwifery staffing reviews developed via a triangulated approach including a recognised assessment tool, benchmarking and professional judgement. New roles have been introduced which have provided opportunity and has contributed to the development of a more robust workforce and help manage national workforce challenges.

The Trust was rated “Requires Improvement” by the Care Quality Commission (CQC) in 2019 and remains fully compliant with the registration requirements of the CQC. The Trust put in place an Improvement Plan in response to the findings which was monitored via the Quality Governance Committee and Trust Board. The plan was subject to an Internal Audit review for which the Trust received a ‘Reasonable Assurance’ opinion in April 2020. The Action plan was completed and closed in October 2020.

Publication of registers of interest.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality. https://www.northamptongeneral.nhs.uk/About/Our-Trust-Board/Register-of-interests.aspx

Work has been completed to introduce a digital solution to encompass all decision-making staff (defined at the Trust as Consultants and staff on Agenda for Change Band 8D and above), as required by the Managing Conflicts of Interest in the NHS guidance, its launch was delayed by the COVID 19 impact.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer’s contributions and payments into the Scheme are in

accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.
The Trust has undertaken risk assessments included in its Adaptation Policy and has a sustainable development management plan in place which is currently being reviewed to take account of UK Climate Projections 2018 (UKCP18) and the Carbon Net Zero by 2040 NHS commitments. The Trust complies with its obligations under the Climate Change Act and Adaptation Reporting guidelines through its annual report.

Risk assessment

The Trust has adopted an approach to risk management with the structures and processes in place to successfully deliver the risk management objectives. Leadership arrangements are defined within the Trust and are supported by job descriptions, objectives and annual appraisals.

Leadership has been further embedded at Divisional and Directorate level, where managers have responsibility for risk identification, assessment and analysis. All staff are required to complete mandatory and role specific update training. All new members of staff are required to attend induction which covers key elements of risk management including Freedom to Speak up.

The Trust policy on the development of policies ensures that all Trust policies must be equality impact assessed before seeking approval.

The Board Assurance Framework (BAF) is based around the Trust's strategic objectives. It identifies the principal risks to the achievement of those objectives, the key controls in place to manage those risks and the sources of assurance about the effectiveness of those controls.

The BAF details any gaps in control and assurance in relation to the risks, including strategic objectives related to service delivery, workforce, finance, service transformation, and infrastructure and information systems, together with actions to address them. The actions include identifying additional resources, putting in place new systems, processes, operating procedures and monitoring arrangements, strengthening project and programme management, and effective working with partners.

The BAF is updated by the Executive Director leads with a full review at the end of each quarter which is then presented to the relevant Board Committee to review their assigned risks and a full Trust Board review quarterly. It is also crossed referenced to risks on the Corporate Risk Register.
The BAF identified areas where the control framework needed improvement and a number of red (extreme) risks as follows:

- Risk that the Trust fails to manage its Capital programme within Capital Resource limit or fails to secure sufficient funding

- Risk of failures related to failing infrastructure due to aging estate
- Risk of failures in data quality, ICT infrastructure and/or a successful cyber security attack
- Risk of the Trust being unable to deliver a recovery plan post covid-19 with consequential impact on patient and staff safety, patient experience and staff well- being
- Risk of failing to meet local and national quality and performance standards leading to poor experience and financial risk of contract penalties
- Risk of failure to meet regulators minimum fundamental standards
- Risk of avoidable harm to patients and the associated loss of public confidence
- The risk of the Trust being unable to deliver an appropriate response to Covid 19 in terms of quality of care, capacity and timeliness with consequential impact on patient and staff safety, patient experience and staff wellbeing.
- Risk that we fail to engage and nurture our staff leading to a lack of energy and commitment and an optimal culture
- Risk that the Trust fails to have financial control measures in place to deliver its 2020/21 financial plan
- Risk that the Trust fails to achieve optimum workforce capacity to deliver best possible care now and in the future

Each risk and its actions are owned by an Executive Director and they are held to account for progress at the respective Board subcommittee and Board.

The Trust has received a 'Reasonable Assurance' opinion from internal audit on the Board Assurance Framework and Risk Management in March 2021.

The Board completed a self- review of governance arrangements against the NHSI Well-led Framework in January 2020. The output of that review identified where improvements could be made but identified knowledge gaps and learning opportunities for further Board development.

An Annual Governance Statement is in place and the Trust is compliant with the risk management and assurance framework requirements that support the statement pursuant to the most up to date guidance.

The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets as set out in the NHSE/I oversight framework; and a commitment to comply with all known targets going forward.

The Board ensures that the trust will at all times operate effectively. This includes maintaining its register of interests, ensuring that there are no material conflicts of interest in the board of directors; and that all board positions are filled, or plans are in place to fill any vacancies.

The Board is satisfied that all executive and Non-Executive directors have the appropriate qualifications, experience and skills to discharge their functions effectively, including setting strategy, monitoring and managing performance and risks, and ensuring management capacity and capability. All Board members complete a "Fit and Proper persons" declaration.

COVID-19

The Trust has reviewed its governance framework throughout the pandemic to ensure flexibility in its response, enabling remote decision-making by the Board and Committees, with the addition of an operational command structure put into place with decision and change logs implemented. Meetings were prioritised both as to whether to continue to proceed and in agenda content which focussed on pandemic related issues with virtual meetings replacing face to face meetings.

Corporately and within each Division the organisation was asked to consider any emerging risks to the delivery of their services as a result of COVID-19. A number of new risks were identified which are monitored within the Trust's control framework during 2020/21.

The Trusts response to the pandemic led to changes in how the trust's control environment was applied, due to the speed and robustness of the Trust's emergency preparedness response. However, this is not considered to constitute a significant internal control issue.

4. Review of economy, efficiency and effectiveness of the use of resources

The Trust has a number of processes in place to ensure that resources are used economically, efficiently and effectively. The Trust has an established process in place for budget setting, monitoring and reporting.

Internal Audit has reviewed the financial systems during the year and based on the work undertaken, have concluded that reasonable assurance can be taken and the system of internal controls is generally adequate and operating effectively. In addition, Internal Audit also reviewed Business Planning processes and concluded that Substantial Assurance can be taken; the system of internal controls is generally adequate and operating effectively.

Whilst 2020/21 was unusual and the funding mechanism changed in comparison to previous years, the Trust continued to maintain appropriate controls to support the use of public money and performed better than a break-even financial position.

The Trust will be working on its transformation plan, as part of its Reset Plan post-COVID and will explore opportunities for recurrent savings. Also, further to the ongoing collaboration work with Kettering General Hospital NHS Foundation Trust, the Trust is actively working to improve both the quality and financial viability of acute services and seek in this process to unlock new economies of scale and remove duplication.

5. Information governance

The Data Security and Protection Toolkit deadline is 30th June 2021; the Trust has currently met 75 of the 111 mandatory evidence items required. There are 3 assertions from the 2020 submission that the Trust was not able to evidence as completed, and a plan was agreed with NHS Digital. It is expected that the Trust

will not be able to complete two of these assertions for the 2021 submission due to NHS Mail migration not in place.

The Trust has reported three Information Governance incidents to the Information Commissioners Office (ICO) that met the NHSD reporting criteria. Two cases have been closed by the ICO with no further action; one incident remains open and is under investigation with the ICO. No action has been taken by the ICO against the Trust regarding incidents reported to date.

6. Data quality and governance

The Data Governance Group meets monthly to ensure the Trust has adequate controls in place to manage Data Quality. Reports are presented each month by Clinical Coding, Data, Data Quality, Informatics, Knowledge Improvement and Data Security and Protection which are scrutinised regularly.

The Data Quality report includes 3 key themes to provide relevant assurance which include the Data Quality Kitemark, The Data Quality Maturity Index (DQMI) and Data Quality Alerts summaries. The DQMI compares its data quality against national peers in order to identify and prioritise necessary improvements. The Data Quality Kitemark is an internal auditing tool which assesses key data sets against a marking structure to give assurance for a Star rating; Sign off, Validation, Timely & Complete, Audit & Accuracy, Robust Systems & Data Capture. The Data Quality Team then provide recommendations for improvements to any areas of concern.

7. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, quality governance committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

All relevant Board sub- committees Terms of Reference have been updated.

Board Reporting

The Board meets monthly throughout the year in private and also in public on a bi-monthly basis. A performance report is received each month with performance overviews provided by the director responsible for performance in each area and risks reviewed. The Board receives updates from the chair of each Board committee following individual committee meetings highlighting the key points discussed and any issues which require escalation.

Board effectiveness

The Board has processes in place to review the effectiveness with which it operates annually. Governance arrangements are also subject to review by Internal Audit annually. In the past 12 months Internal Audit reviews include Data Quality - 'Reasonable Assurance', Business Continuity and Emergency Planning – 'Reasonable Assurance', and Fire and Health & Safety (review) - 'Reasonable Assurance'.

The Board has been assured that there are robust mechanisms to ensure that the evidence to support compliance is in place and available and is routinely monitored and reported upon within the Trusts governance and performance framework. The process that has been applied to maintain the effectiveness of a system of internal control was as follows:

The Trusts Audit Committee approved an Internal Audit programme and received all Internal Audit Reports. The committee has reviewed the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the organisations activities both clinical and non- clinical that supported the achievement of the organisations objectives.

Each Board Committee has reviewed its Terms of Reference for Board approval.

The Trusts Clinical Audit and Effectiveness Group oversee the Trust's participation in local and national clinical audit and national confidential enquiries, and reports to the Clinical Quality and Effectiveness Group. Divisions receive an update report from the Clinical Audit & Effectiveness Department as part of the governance structure. This update gives highlights by exception of audit progression, findings and actions. This enables the Divisional and directorate management team oversight and ownership of their element of the Trust audit programme.

The Internal Audit's review of the organisation's overall arrangements for gaining assurance has concluded that:

"Reasonable 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. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk."

There has been minimal or no impact on the delivery of the internal audit work for 2020/21 as a result of the COVID-19 pandemic. Whilst there was an impact on delivery of the work in the early part of the year during the initial lockdown, Internal Audit were able to deliver to most of the planned work by year-end (or shortly thereafter). There have been no changes to the planned work as a result of COVID-19; any changes to the plan were based on purely on business/operational need. They were not able to complete two reviews before 31st March 2020 – Procurement Estates (field work is nearing completion and the final report is scheduled to be presented to the June 2021 Audit Committee meeting); and IM&T Data Security and Protection Toolkit – the review

was moved to Q1 2021/22 to align with the new national reporting timetable. These have not, however, affected the ability to provide a full Head of Internal Audit Opinion based on the work carried out.

All reviews carried out have received 'Reasonable' or 'Substantial' assurance. With regard to counter fraud and corruption arrangements during 2020/21, there were ten new referrals, all of which were investigated.

A small number of the referrals were, after initial enquiries not considered suitable for full counter fraud investigation and were therefore referred back to HR or departmental line manager for internal action.

The remaining cases are ongoing, with one being submitted to the Crown Prosecution Service, resulting in a suspended sentence, a further four are currently being considered for submission to the CPS pending the interview of the subjects. The remainder of the cases are currently ongoing. The potential financial value of the referrals was not material to the overall finances of the Trust.

The Local Counter Fraud Specialist (LCFS) has supported the Trust to ensure that investigations are carried out promptly and efficiently. In addition, the LCFS has continued to carry out proactive work at the Trust in order to prevent, detect and deter fraud and bribery within the NHS and to also raise awareness of the role of the counter fraud specialist within the Trust and the NHS as a whole. This proactive work has helped to establish an effective anti-fraud culture and zero tolerance approach within the Trust that is fully supported by the Trust Board.

The Trust places patient safety at the heart of what we do, we constantly strive to learn from incidents to deliver Best Possible Care. Incidents are discussed at a number of forums, including the Review of Harm Group, Clinical Quality and Effectiveness Group and the Quality Governance Committee.

During the past 12 months, the Trust has recorded 58 serious incidents in 2020/21 which is a slight increase from 2019/20. It is important to acknowledge that the Covid-19 pandemic changed profile of clinical work undertaken at the trust, and so direct comparison of themes is not possible.

Each patient safety incident graded as moderate or serious harm has been reviewed. Those which meet the threshold for more detailed investigation as a Serious Incident have undergone this, using Root Cause Analysis (RCA) methodology, seeking to determine the Root Cause of any preventable harm.

Actions plans are developed based on the investigation findings and changes put in place to reduce the likelihood of re-occurrence. Lessons learnt are shared in a variety of ways, this sharing has been changed during the reporting year due to COVID-19 restrictions and more reliance has had to be places on use of digital meeting technology, and written briefings for staff.

The Care Quality Commission (CQC) and NHS Resolution (NHSR) consider trusts who are high reporters of incidents to have a better and a more effective safety culture. In 2020/21, a total of 12,315 patient safety incidents were reported, which

shows a decrease in the previous reporting year, but as already stated the trust was not seeing the usual profile of work, and this is believed to have had some impact on the reporting numbers.

Despite the pandemic the trust has met its obligations of Duty of Candour with patients/relatives where harm has been caused.

All patient safety incidents graded as moderate or above have continued to be discussed at the weekly 'Review of Harm Group (RoHG)' This multi-disciplinary group, chaired by the Medical Director or his representative, provides challenge in a non-threatening manner. The group reports into the Clinical Quality and Effectiveness Group. To ensure all patient safety incidents are investigated appropriately and proportionately incidents graded. Other incidents of clinical concern (including some complaints, claims or inquests) are also discussed at this meeting.

The Trust process of monitoring of action plans arising from Serious and Moderate graded Incidents continues to be strengthened. This is supported by the directorate governance meetings, and departmental meetings to ensure that actions are implemented. This is overseen by the Clinical Quality and Effectiveness Group, as well as our Commissioners. The Trusts Governance Assurance team and Clinical Audit and Effectiveness Team provide key support to the local governance meetings in the clinical areas to implement and closure action plans.
The trust held a 'Quality Summit' in February 2021 which gave opportunity to share the learning from a cluster of Never Events reported in year. This was well received by external partners in attendance and gave the opportunity to explore the trust move towards increased focus on a 'Human Factors' approach to patient safety improvement investigations.

8. Conclusion

I am pleased to report that, based on the opinion of Internal Audit; that Northampton General Hospital NHS Trust has a sound system of internal control that supports the achievement of its policies, aims and objectives with no significant internal control issues identified.

Appropriate arrangements are in place for discharge of the Trust's statutory functions. These ensure that any potential issues are highlighted to the Board and that the Trust is legally compliant with its statutory responsibilities.

Group Chief Executive Officer

29 June 2021

Report from the Chief Finance Officer

Economic outlook and impact

2020/21 was a year we could not have predicted; going into the year with a global pandemic without any blueprints or prior experience to draw on, but the team pulled together and did an amazing job for our patients. The impact on staff and patients has been immense and a big thanks to our staff who have worked tirelessly throughout this period. Despite the immense challenge that COVID-19 brought upon us, our staff continued to do their best under very challenging circumstances for the benefit of our patients.

Nationally, the NHS has received financial support, with the Chancellor promising to give the NHS whatever it took to support us through the pandemic. We were funded through a combination of block contracts, COVID funding and top-up arrangements, as well as other non-recurrent funding arrangements.

Going forward, we expect the financial landscape to be different, with Systems working closer together as part of the ICS to manage funding in a collaborative manner. The funding for the first half of the year has been allocated, with the expectation that the Systems achieve a break-even for the first half of the year whilst doing our best to manage the elective backlog and recover services as well as maintain staff health and wellbeing.

Financial performance

The impact of the unprecedented pandemic meant that the budget that was set at the start of the year became redundant as the national focus quickly became how we beat the virus to save lives. To this end, the Trust budget, following a few iterations, was a breakeven financial position. Our adjusted financial position in reference to this budget was £1,138k better than plan, but this was largely due to non-recurrent funding.

Capital Expenditure

Our capital expenditure programme was four times its usual size in 2020-21 at £42m, including a number of key schemes like the Paediatrics Emergency Unit, Intensive Care Unit, Emergency Electrical upgrade works. We managed to deliver a large proportion of the capital plan except for slippage of £6.9m which largely relates to the new ICU build. The delays arose as a result of complexities with the COVID environment and finding asbestos during construction, however we have received the capital allocation for the ICU slippage in 2021-22.

We met our other financial duties to manage our borrowing within our external finance limit and to pay our suppliers within 30 days for more than 95% of invoices paid.

Charitable funds

We are supported by the Northamptonshire Health Charity Its primary purpose is to support our work by providing grant funding, making use of the many generous donations and legacies they receive from the general public and from fund raising activities.

To ensure local governance of funds, our senior nurses and managers are heavily involved as fund advisors, actively recommending the specific projects where funds should be spent.

During the financial year the charity paid £745k as grants, of specific note:

- Various items of medical equipment for Trust-wide use, including a Video Laryngoscope for ENT £64k, a Laparascopic surgery camera for Obstetrics and Gynaecology £92k and 4 Bladder scanners £4k each
- 10 Patient Transfer Scales £22k
- Creation of the Barratt Reflective Garden £37k
- Emergency Department Staff Room £11k
- 28 Beverage Trolleys £58k
- Furniture for Gosset Ward £18k
- Lockers for staff to use in Main Theatres £12k
- Creation of 'Our Space' and rest room furniture & furnishings £10k
- 6,500 insulated cups, flapjacks, reusable facemasks and 'Thank you' badges for staff £41k
- Volunteer Services Co-ordinator £26k and uniforms for our volunteers £5k
- Staff Training and Course Fees £80k
- Management of Post Graduate MSc programme in partnership with University of Northampton £56k
- Nearly 1,500 Embroidered/Reusable Theatre Hats £13k

Jon Evans

Group Chief Finance Officer

Statement of the Chief Executive's responsibilities as the accountable officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust.

The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum.* These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Simon Weldon
Group Chief Executive Office

29 June 2021

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

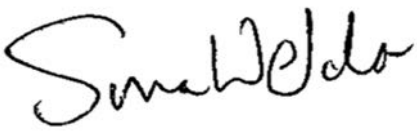
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board



Simon Weldon

Group Chief Executive Officer

29 June 2021

Jon Evans

Group Chief Finance Officer

29 June 2021

STAFF REPORT 20/21

Remuneration

A remuneration and appointments committee meets at least annually and is comprised of non-executive directors. The duties of the remuneration and appointments committee are set out in the terms of reference.

The primary role of the remuneration and appointments committee is to establish a formal process for developing policy on executive remuneration and to oversee the appointment process for executive directors.

The remuneration and appointments committee will determine the remuneration and terms of service for the chief executive and executive directors, acting in accordance with the scheme of delegation and reservation of powers to the Board and approve any non-contractual benefits in relation to the termination of employment for executive directors.

The remuneration and appointments committee will oversee the process for the appointment of new members to the trust board of directors, ensuring that there is a formal, lawful procedure in place.

The committee will also ensure that systems and processes are in place for the development of board members where appropriate.

Pay Multiples (subject to Audit)

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

The banded remuneration of the highest paid director in the Trust in the financial year 2020/21 was £230-£235k (2019/20, £230-235k). This was 8.54 times (2019/20, 9.78 times) the median remuneration of the workforce, which was £27k (2019/20, £24k).

In 2020/21 and 2019/20 no employees received remuneration in excess of the highest paid director. Remuneration ranged from £ 0k for part-time staff to £ 341k for the next highest paid director and £341k for the highest paid agency locum (full year effect) (2019/20 £ 218k).

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

The ratio has decreased in 2020/21 by 1.24. Healthcare assistants and other support staff represent the largest increase in total average staff numbers. The majority of staff on Agenda for Change terms and conditions received a pay increase as a result of the third year of pay award deal. This has contributed to the increase in the overall median remuneration of the workforce.

Salary and Pension Entitlements of Senior Managers (subject to Audit)

Remuneration

Name and Title	2020-21					
	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100*	Performance Pay and Bonuses (bands of £5,000)	Long term Performance Pay and Bonuses (bands of £5,000)	All Pension-related Benefits (bands of £2,500)	Total - Salary & Benefits (bands of £5,000)
Alan Burns - Chairman	35 - 40					35 - 40
Simon Weldon - Group Chief Executive (from 1st July 20)	90 - 95					90 - 95
Eileen Doyle, Hospital Chief Executive Officer (from 1st March 21)	10 - 15				22.5 - 25	35 - 40
Deborah Needham - Hospital Chief Executive (from 1st August 20 to 28th February 21)/Chief Operating Officer/Deputy Chief Executive Officer (from 1st April 20 to 31st July 20)	145 - 150				32.5 - 35	175 - 180
Sonia Swart - Chief Executive Officer (to 31st July 20)	75 - 80				0	75 - 80
Joanna Fawcus - Chief Operating Officer (from 1st March 21)	10 - 15				30 - 32.5	40 - 45
Carl Holland - Chief Operating Officer (from 1st August 20 to 28th Feb 21)	70 - 75				147.5 - 150	215 - 220
Matthew Metcalfe - Medical Director	230 - 235				82.5 - 85	315 - 320
Sheran Oke - Director of Nursing, Midwifery & Patient Services	125 - 130				12.5 - 15	135 - 140
Bola Agboola - Director of Finance (from 30th November 20)	40 - 45				25 - 27.5	70 - 75
Philip Bradley - Director of Finance (to 29th November 20)	95 - 100				0	95 - 100
Andy Callow - Group Chief Digital Information Officer (from 1st November 20)	25-30				30 - 32.5	60 - 65
Stuart Finn - Director of Facilities & Capital Development	100 - 105				25 - 27.5	125 - 130
Karen Spellman - Director of Strategy and Partnerships (from 7th December 20)	30 - 35				55 - 57.5	90 - 95
Chris Pallot - Director of Strategy & Partnerships (to 6th December 20)	75 - 80				30 - 32.5	105 - 110
Claire Campbell - Director of Corporate Development, Governance & Assurance	105 -110				0 - 2.5	110 - 115
Mark Smith - Chief People Officer	70 - 75				2.5 - 5	75 - 80
John Archard-Jones - Non-Executive Director	10 - 15					10 - 15
Annette Gill - Non-Executive Director	10 - 15					10 - 15
Jill Houghton - Non-Executive Director	10 - 15					10 - 15
David Moore - Non-Executive Director	10 - 15					10 - 15
Thomson Robinson - Non-Executive Director	10 - 15					10 - 15
Rachel Parker - Non-Executive Director	10 - 15					10 - 15
Denise Kirkham - Non-Executive Director	10 - 15					10 - 15
Tremaine Richard-Noel - Trainee Shadow Non-Executive (NExT Scheme)	N/A					N/A

Name and Title	2019-20					
	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100* £	Performance Pay and Bonuses (bands of £5,000)	Long term Performance Pay and Bonuses (bands of £5,000)	All Pension-related Benefits (bands of £2,500)	Total - Salary & Benefits (bands of £5,000)
Alan Burns - Chairman	35 - 40					35 - 40
Sonia Swart - Chief Executive Officer	230 - 235				0	230 - 235
Deborah Needham - Chief Operating Officer/Deputy Chief Executive Officer	155 - 160				10 - 12.5	165 -170
Matthew Metcalfe - Medical Director	185 - 190				0	185 - 190
Sheran Oke - Director of Nursing, Midwifery & Patient Services	125 - 130				272.5 - 275	395 - 400
Philip Bradley - Director of Finance	145 - 150				0	145 - 150
Stuart Finn - Director of Facilities & Capital Development	100 - 105				17.5 - 20	120 - 125
Janine Brennan - Director of Workforce and Transformation (to 27th September 19)	65 - 70				0	65 - 70
Chris Pallot - Director of Strategy & Partnerships	115 - 120				7.5 - 10	125 - 130
Claire Campbell - Director of Corporate Development, Governance & Assurance	110 - 115				5 - 7.5	115 - 120
Bronwen Curtis - Director of HR (from 2nd October 19)	70 - 75				0	70 - 75
Mark Smith - Chief People Officer (from 1st September 19)	35 - 40				15 - 17.5	55 - 60
David Noble - Non-Executive Director (to 31st December 19)	5 - 10					5 - 10
John Archard-Jones - Non-Executive Director	5 - 10					5 - 10
Annette Gill - Non-Executive Director	5 - 10					5 - 10
Jill Houghton - Non-Executive Director	5 - 10					5 - 10
David Moore - Non-Executive Director	5 - 10					5 - 10
Emma Heap - Associate Non-Executive Director (to 31st January 20)	5 - 10					5 - 10
Thomson Robinson - Non-Executive Director (from 1st July 19)	5 - 10					5 - 10
Rachel Parker - Non-Executive Director (from 1st January 20)	0 - 5					0 - 5
Denise Kirkham - Non-Executive Director (from 1st February 20)	0 - 5					0 - 5
Tremaine Richard-Noel - Trainee Shadow Non-Executive (NExT Scheme) (from 8th October)	N/A					N/A

Salary Notes

Simon Weldon, Eileen Doyle, Joanna Fawcus, Carl Holland, Bola Agboola, Andy Callow and Karen Spellman were appointed to the Board in 2020-21. There is therefore no salary information for 2019-20

Simon Weldon, Eileen Doyle, Joanna Fawcus and Mark Smith are employed by Kettering General Hospital NHS Foundation Trust.
KGH has recharged 50% of total salaries for the respective months for the 'Group' appointments of Chief Executive, Chief Digital Information Officer and Chief People Officer.
Salary for Joanna Fawcus is recharged in full.

Tremaine Richard-Noel is on a placement through the NExT Director Scheme and does not receive a salary from NGH

All pension related benefits represent the annual increase in total pension benefits entitlement. This represents the values payable at the beginning and end of the financial year, adjusted for inflation, irrespective of whether or not the position was held for full or part year and length of NHS service. Where this value is negative a nil balance is shown

Sonia Swart received a redundancy payment during 2020/21 of £53k. This was subject to the appropriate HMRC regulations for PAYE and National Insurance. The anticipated cost was provided for and reported as an Exit package in 2019/20.

Phil Bradley is due to receive a redundancy payment during 2021/22. The anticipated cost has been provided for and reported as an Exit package in 2020/21. It has also been subject to appropriate Treasury approvals.

Pension benefit report

Name & Title	Real increase in pension at Pension Age (bands of £2,500)	Real increase in pension lump sum at Pension Age (bands of £2,500)	Total accrued pension at Pension Age at 31 March 2021 (bands of £5,000)	Lump sum at Pension Age related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2020	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2021	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Simon Weldon - Group Chief Executive (from 1st July 20)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eileen Doyle, Hospital Chief Executive Officer (from 1st March 21)	0 - 2.5	0	15-20	20 - 25	214	0	248	N/A
Deborah Needham - Hospital Chief Executive (from 1st August 20 to 28th February 21)/Chief Operating Officer/Deputy Chief Executive Officer (from 1st April 20 to 31st July 20)	0 - 2.5	0	55 - 60	130 - 135	938	25	1003	N/A
Sonia Swart - Chief Executive Officer (to 31st July 20)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Joanna Fawcus - Chief Operating Officer (from 1st March 21)	0 - 2.5	0 - 2.5	35 - 40	70 - 75	551	0	603	N/A
Carl Holland - Chief Operating Officer (from 1st August 20 to 28th Feb 21)	2.5 - 5	7.5 - 10	55 - 60	135 - 140	999	84	1,188	N/A
Matthew Metcalfe - Medical Director	2.5 - 5	7.5 - 10	35 - 40	95 - 100	660	80	759	N/A
Sheran Oke - Director of Nursing, Midwifery & Patient Services	0 - 2.5	2.5 - 5	55 - 60	165 - 170	1,217	42	1,298	N/A
Bola Agboola - Director of Finance (from 30th November 20)	0 - 2.5	0	5 - 10	0	60	0	85	N/A
Philip Bradley - Director of Finance (to 29th November 20)	0 - 2.5	0	55 - 60	175 - 180	1,376	12	1,439	N/A
Andy Callow - Group Chief Digital Information Officer (from 1st November 20)	0 - 2.5	0	10 - 15	0	110	0	144	N/A
Stuart Finn - Director of Facilities & Capital Development	0 - 2.5	0	20 - 25	30 - 35	299	17	335	N/A
Karen Spellman - Director of Strategy and Partnerships (from 7th December 20)	0 - 2.5	0 - 2.5	30 - 35	60 - 65	507	8	581	N/A
Chris Pallot - Director of Strategy & Partnerships (to 6th December 20)	0 - 2.5	0 - 2.5	40 - 45	90 - 95	678	13	733	N/A
Claire Campbell - Director of Corporate Development, Governance & Assurance	0 - 2.5	0 - 2.5	50 - 55	155 - 160	1,207	33	1,275	N/A
Mark Smith - Chief People Officer	0 - 2.5	0	10 - 15	0	109	0	122	N/A

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. 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 the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The inflation applied to the accrued pension, lump sum (if applicable) and CETV is the percentage (if any) by which the Consumer Prices Index (CPI) for the September before the start of the tax year is higher than it was for the previous September.
The Consumer Prices Index up to September 2019 was 1.7%,. Therefore for pensions and CETV calculation purposes CPI is 1.7%.
The method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8 August 2019. If the individual concerned was entitled to a GMP, this will affect the calculation of the real increase in CETV. This is more likely to affect the 1995 Section and the 2008 Section., but does not affect the calculation of the real increase in pension benefits in the Pensions Table, or the Single total figure table in the Salary Table.

No lump sum is shown for senior managers who only have membership in the 2015 Scheme or 2008 Section (unless they chose to move their 1995 Section benefits to the 2008 Section under the Choice exercise). No CETV is shown for pensioners or senior managers over NPA. Age 60 in the 1995 Section, age 65 in the 2008 Section or SPA or age 65, whichever is the later, in the 2015 scheme. No values are shown for senior managers that have opted out of the NHS Pension scheme.

Off Payroll report

Table 1: Off-Payroll Engagements longer than 6 months

For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months :

Narrative	Number
Number of existing engagements as of 31 March 2021	**0**
Of which, the number that have existed:	
for less than one year at the time of reporting	
for between 1 and 2 years at the time of reporting	
for between 2 and 3 years at the time of reporting	
for between 3 and 4 years at the time of reporting	
for 4 or more years at the time of reporting	

Table 2: New Off-Payroll Engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2021, for more than £245 per day and last longer than six months

Narrative	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	**0**
Of which:	
No. assessed as caught by IR35	**0**
No. assessed as not caught by IR35	**0**
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	**0**
No. of engagements reassessed for consistency / assurance purposes during the year	**0**
No. of engagements that saw a change to IR35 status following the consistency review	**0**

Table 3: Off-Payroll board membership / senior official engagements

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2021

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	**0**

Total number of individuals on payroll and off-payroll that have been deemed “board members, and/or senior officers with significant financial responsibility” during the financial year.	**17**

Staff cost and numbers

			2020/21	2019/20
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	215,672	891	**216,563**	187,688
Social security costs	22,242	0	**22,242**	19,520
Apprenticeship levy	1,063	0	**1,063**	942
Employer's contributions to NHS pension scheme	32,881	0	**32,881**	29,851
Pension cost - other	58	0	**58**	36
Other post-employment benefits	0	0	**0**	0
Other employment benefits	0	0	**0**	0
Termination benefits	67	0	**67**	74
Temporary staff	0	19,114	**19,114**	18,594
Total gross staff costs	**271,983**	**20,005**	**291,988**	**256,709**
Recoveries in respect of seconded staff	0	0	**0**	0
Total staff costs	**271,983**	**20,005**	**291,988**	**256,709**
Of which				
Costs capitalised as part of assets	762	0	**762**	564

			2020/21	2019/20
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	580	112	**693**	620
Ambulance staff	0	0	**0**	0
Administration and estates	1,087	128	**1,125**	1,135
Healthcare assistants and other support staff	1,101	251	**1,352**	1,204
Nursing, midwifery & health visiting staff	1,513	235	**1,748**	1,620
Nursing, midwifery & health visiting learners	0	0	**0**	0
Scientific, therapeutic and technical staff	571	46	**617**	573
Healthcare science staff	160	0	**160**	151
Social care staff	0	0	**0**	0
Other	0	0	**0**	0
Total average numbers	**5,013**	**772**	**5,785**	**5,303**
Of which:				
Number of employees (WTE) engaged on capital projects	16	0	**16**	15

Exit packages

Reporting of compensation schemes - exit packages 2020/21

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	0	0	**0**
£10,000 - £25,000	0	0	**0**
£25,001 - 50,000	1	0	**1**
£50,001 - £100,000	0	0	**0**
£100,001 - £150,000	0	0	**0**
£150,001 - £200,000	0	0	**0**
>£200,000	0	0	**0**
Total number of exit packages by type	**1**	**0**	**1**
Total cost (£)	40,000	0	**40,000**

Exit packages: other (non-compulsory) departure payments

	2020/21		2019/20	
	Payments agreed		Payments agreed	
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	2	74
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	**0**	**0**	**0**	**74**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

Staff sickness absence

Staff sickness absence data is published nationally. Information can be obtained via the NHS Digital publication series on NHS Sickness Absence Rates.

Early retirements due to ill health

	2020/21	2020/21	2019/20	2019/20
	£000	Number	£000	Number
No of early retirements on the grounds of ill-health		1		1
Value of early retirements on the grounds of ill-health	73		29	

Our Trade Union activity

As part of the Trade Union (Facilities Time Publication Requirements) Regulations 2017, we have collated information regarding the facilities time activities of our recognised Trade Union officials during the relevant period of 1 April 2019 to 31 March 2020. We have undertaken the following calculations and the results are detailed in the tables below:

- Number of employees who were relevant union officials during the relevant period
- Full-time equivalent employee number
- Percentage of time spent on facility time
- Percentage of pay bill spent on facility time
- Paid trade union activities

Relevant Union Officials

Number of Employees Who Were Relevant Union Officials During the Relevant Period	Full-Time Equivalent Employee Number
40	38.81

Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	15
1%-50%	23
51%-99%	2
100%	0

Percentage of Pay Bill Spent on Facility Time

Total Cost of Facility Time	£42,649.90
Total Pay Bill	£262,679,000
Percentage of Total Pay Bill Spent on Facility Time	0.02%

Paid Trade Union Activities

Time Spent on Paid Trade Union Activities as a Percentage of Total Paid Facility Time Hours	5.42%

Equality, Diversity and Inclusion

During 2019/20 we continued to work to and review our progress against our Equality Objectives. The key objectives are based on the Equality Delivery System (EDS2) outcomes relating to the workforce and the Workforce Disability Standard (WDES).52 with the key actions linked to:

- The Workforce Race Equality Standard (WRES)
- The Workforce Disability Standard (WDES)
- Gender Pay Gap Reporting
- Staff Survey Results
- Development of networks
- Promotion of diversity and inclusion to increase awareness

Our key achievements included

- The development of the BAME network and the introduction of Disability and LGBT networks
- BAME representation on senior recruitment panels
- Trained inclusive recruitment champions
- The introduction of a reverse mentoring programme
- The appointment of a BAME clinical fellow to support our work with international colleagues
- Celebration and promotion of key dates and events
- The development of a joint approach with Kettering General Hospital in preparation for a Group EDI strategy

2020 NHS Staff Survey Equality and Diversity Key Findings

The demographics of our workforce who responded to the staff survey were broadly similar to our overall workforce with the exception of disabled staff where 23% of the respondents indicated they had a disability compared to the 3% of the workforce recorded on our systems.

For the overall 'theme' of Equality, Diversity and Inclusion we scored 8.9 out of 10, which was a small improvement of 0.1 since the 2019 survey. We are below the national average of 9.1.

Underpinning this theme there are 4 questions from the Staff Survey that contribute to the overall 'theme' result:

Question 14 – Does your organisation act fairly with regard to career progression/promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age? There has been an improvement of 1.3% since 2019 but we are worse than the national average by 2.7%. The national average has declined by 0.1% since the 2019 survey.

Question 15a – In the last 12 months have you personally experienced discrimination at work from patients/service users, their relatives or other members of the public? There has been an improvement of 1.8% since 2019 but we are worse than the national average by 1.6%. The national average has deteriorated by 0.2% since the 2019 survey.

Question 15b –In the last 12 months have you personally experienced discrimination at work from managers/team leaders or other colleagues? There has been a deterioration of 0.3% since 2019 and we are worse than the national average by 2.8%. The national average has deteriorated by 0.6% since the 2019 survey.

Question 28b – Has your employer made adequate adjustments to enable you to carry out your work? There has been an improvement of 0.3% since 2019 and we are better than the national average by 2.8%. The national average has improved by 2.1% since the 2019 survey.

The survey has highlighted some areas of concern and we will be working with our colleagues, trades unions and networks to understand the specific issues behind the results so that we can work together to create an inclusive environment where all colleagues are respected and valued.

Workforce Race Equality Standard

We undertook the data analysis exercise for the National Workforce Race Equality Standard (WRES) in 2020 and compared these results to those of 2019 to establish if there had been improvements or deteriorations in the experiences or the treatment of BME staff when compared to our White staff.

We showed improvement in:

- The number of BME staff we employee
- The total number of BME staff at a very senior manager level
- The likelihood of BME applicants being shortlisted when compared to White applicants.

Deteriorations were seen in:

- The likelihood of BME staff entering the formal disciplinary process, when compared to White staff
- The likelihood of BME staff accessing non-mandatory training/Continuous Professional Development when compared to White Staff
- BME staff believing career progression/promotion is fair when compared to White staff
- BME staff experiencing discrimination form managers / team leaders / colleagues
- The percentage difference between our Board voting membership and our overall BME workforce.

Two areas were unchanged from 2019, namely:

- BME staff experiencing bullying, harassment or abuse from other colleagues in the last 12 months
- BME staff experiencing bullying, harassment or abuse from patients, relatives or the public.

We acknowledge there is still work to do to improve the experiences and treatment of our BME workforce and we will be working with our Black, Asian and Minority Ethnic (BAME) Staff Network Group to address the issues highlighted.

The National WRES Report was released in January 2021 and when comparing our results to the national results we better than the national findings in 3 areas and worse for the remaining 6 indicators.

Our WRES report can be accessed via our website.

Workforce Disability Equality Standard

We undertook the data analysis exercise for the National Workforce Disability Equality Standard (WDES) in 2020 and compared these results to those of 2019 to establish if there had been improvements or deteriorations in the experiences or the treatment of disabled staff when compared to our non-disabled staff.

We showed improvement in:

- The number of disabled staff we employ
- The likelihood of disabled applicants being shortlisted when compared to non-disabled applicants
- Disabled staff experiencing bullying, harassment or abuse from managers in the last 12 months
- Disabled staff experiencing bullying, harassment or abuse from other colleagues in the last 12 months
- Disabled staff or their colleagues reporting bullying, harassment or abuse
- Disabled staff believing career progression/promotion is fair when compared to non-disabled staff

- Disabled staff saying that they have felt pressure from their manager to come to work, despite not feeling well enough to perform their duties
- Disabled staff saying that their employer has made adequate adjustments to enable them to carry out their work

Deteriorations were seen in:

- Disabled staff experiencing bullying, harassment or abuse from patients, relatives or the public.
- Disabled staff compared to non-disabled staff saying that they are satisfied with the extent to which their organisation values their work.
- Staff Engagement score for disabled staff compared to non-disabled staff and the overall engagement score for the organisation

Two areas were unchanged from 2019, namely:

- The total number of disabled staff at a very senior manager level
- The likelihood of disabled staff entering the formal capability process, when compared to non-disabled staff

We acknowledge there is still work to do to improve the experiences and treatment of our disabled workforce and we will be working with our Disabled Staff Network Group to address the issues highlighted.

Our WDES report can be accessed via our website.

Modern slavery statement

This statement is made in pursuant to section 54 of the Modern Slavery Act 2015, and sets out the steps that Northampton General Hospital NHS Trust has taken and continues to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Organisation's Structure and Business

Northampton General Hospital NHS Trust provides general acute services for a population of 380,000 and hyper-acute stroke, vascular and renal services to people living throughout whole of Northamptonshire, a population of 692,000.

The organisation is also an accredited cancer centre and provides cancer services to a wider population of 880,000 who live in Northamptonshire and parts of Buckinghamshire.

The principal activity of the organisation is the provision of free healthcare to eligible patients.

Northampton General Hospital NHS Trust's position on modern slavery is to:

- Comply with legislation and regulatory requirements
- Make suppliers and service providers aware that we promote the requirements of the legislation

- Develop an awareness of human trafficking and modern slavery within our workforce
- Consider human trafficking and modern slavery issues when making procurement decisions Northampton General Hospital's Policies on Modern Slavery

The Trust fully supports the Government's objectives to eradicate modern slavery and human trafficking and recognises the significant role the NHS has to play in both combatting it and supporting victims.

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business and in so far as is possible, to requiring our supplies hold a corresponding ethos.

To identify and mitigate the risks of modern slavery and human trafficking in our own business, Northampton General Hospital has established robust recruitment procedures, details of which are found in its Recruitment, Selection and Retention Policy.

The policy supports compliance with national NHS Employment Checks and CQC standards. In addition all other external agencies providing staff have been approved through Government Procurement Suppliers (GPS). Modern slavery is incorporated within Northampton General's Safeguarding Children and Safeguarding Adults policies. In addition, modern slavery is reference within the Safeguarding Children and Adult mandatory training from levels 1 -3, which applies to all staff employed by Northampton General Hospital as per the Safeguarding Training Strategy.

Northampton General Hospital Staff must:

- Confirm their identities as new employees and their right to work in the United Kingdom
- Undertake safeguarding training appropriate to their roles and responsibilities to identify those who are victims of modern slavery and human trafficking
- Raise any concerns about working or clinical practice
- Work with the Procurement Department when looking to work with new suppliers so appropriate checks relating to modern slavery can be undertaken

Working with Suppliers

Northampton General Hospital NHS Trust's Procurement Department will ensure its supplier base and associated supply chain, which provides goods and / or services to Northampton General Hospital have taken the necessary steps to ensure modern slavery is not taking place.

The Procurement Department have committed to ensuring that this is monitored and reviewed with its supplier base via the Trusts 3 Year Procurement Strategy. Northampton General Hospital follows good practice, ensuring all reasonable steps are taken to prevent slavery and human trafficking and will continue to support the requirements of the Modern Slavery Act 2015 and any future legislation.

Gender Pay Gap Reporting 2020

As per the Gender Pay Gap Information Regulations 2017 we compiled and analysed our data and submitted it to the Government in February 2021, as part of the requirements under the Regulations. Although we are not legally required to produce a written report, it was agreed this should be done to give context to the data and this was also published on our website.

There has been an improvement in the gap since 2019. Resulting in female employees earning 88p for every £1 that a male employee earns, compared to 87p in 2019.

Mean Hourly Rates, the difference and percentage pay gap, from 2019 to 2020

	Mean Hourly Rate 2019	Mean Hourly Rate 2020	Mean Hourly Rate 2019/20 Variation
Male	£23.43	£22.79	-£0.64%
Female	£16.37	£16.42	+£0.05%
Difference	£7.06	£6.37	-£0.69
Pay Gap	30.1%	27.9%	-2.2%

Median Hourly Rates, the difference & percentage pay gap, from 2019 to 2020

	Median Hourly Rate 2019	Median Hourly Rate 2020	Median Hourly Rate 2019/20 Variation
Male	£16.66	£16.23	-£0.43
Female	£14.44	£14.37	-£0.07
Difference	£2.22	£1.86	-£0.36
Pay Gap	13.3%	11.5%	-1.8%

We acknowledge there is a difference in the average pay of our male and female staff that needs to be addressed, which includes a greater female representation in our senior clinical roles.

Our Gender Pay Gap report can be accessed via our website.

Gender Distribution of Staff

	Agenda for Change Bands 1-7		**Agenda for Change Bands 8a – 9**		**Other Medical & Dental**		**Consultants**		**Very Senior Managers**		**Total**
Male	826	13.8 %	59	1.0%	183	3.1%	164	2.7%	9	0.2%	**1241 (20.8%)**
Female	4254	71.2 %	179	3.0%	200	3.3%	90	1.5%	9	0.2%	**4732 (79.2%)**
Total	**5080**	**85.0 %**	**238**	**4.0%**	**383**	**6.4%**	**254**	**4.2%**	**18**	**0.4%**	**5973 (100%)**

Disability Related Polices

Our key disability related policy is our Employment of Staff with a Disability Policy, which is supported by two other policies, namely the:

- Recruitment, Selection and Retention Policy
- Supporting and Management Workplace Sickness Absence Policy.

The aim of our Employment of People with a Disability Policy is:

- To raise awareness of the employment of people with disabilities throughout the organisation and ensure employees are aware of the Trusts commitment towards disabled people or someone's association with a disabled person

- To ensure recruitment procedures are reviewed and developed to encourage applications and the employment of people with disabilities or someone associated with a disabled person

- To ensure that staff and potential job applicants with a disability, or associated with a disabled person, are treated fairly and receive the same opportunities as other staff to develop within the Trust with appropriate and reasonable support.

- To take all reasonable steps to ensure that the working environment does not prevent disabled people or people associated with a disabled person from taking up positions for which they are suitably qualified.

- To assist staff who become disabled during their employment to adapt to the disability and to continue in post wherever possible, or, if this is not possible, to be redeployed or retrained, where this is practicable.

The policy provides guidance on the recruitment and ongoing employment of people with a disability. The policy focuses in particular on the responsibilities of all staff groups during the recruitment and selection process of an individual who has identified they have a disability or associate with a person who has a disability, in addition to the management of a current employee who develops or has an existing disability.

The Supporting and Management Workplace Sickness Absence Policy provides our managers with clear guidelines when supporting and managing either short term or long-term sickness absence and other absences in connection with sickness. It is designed to ensure a consistent approach and support for employees who due to ill health and/or injury fail to meet reasonable required standards of attendance at work, along with ensuring compliance with the requirements of any relevant employment legislation including the Equality Act 2010 for staff who are absence due to disability related sickness.

The Recruitment, Selection and Retention Policy, together with the associated procedures, provides a framework which promotes a professional approach and the highest possible standards throughout the recruitment and selection process and to

ensure a proactive and lawful approach to equality and diversity issues within the process, including the recruitment of disabled people. We continue to be certified as a Disability Confident Employer (Level 2) and as part of this commitment, we will:

1. Get the right people for our organisation - which includes providing fully inclusive and accessible recruitment processes, offering interviews to disabled people who meet the minimum criteria for the job and making reasonable adjustments as required.

2. Keep and develop our staff - which includes supporting employees to manage their disabilities and health conditions

We have introduced a Disability Staff Network Group during 2020/2021 and we will be working with this group to look at how we can better support our disabled staff.

Group Chief Executive Officer

SECTION THREE:

FINANCIAL STATEMENTS

Independent auditor's report to the Directors of Northampton General Hospital NHS Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Northampton General Hospital NHS Trust (the 'Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of the Directors and Those Charged with Governance for the financial statements' section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Governance Statement does not comply with the guidance issued by NHS Improvement, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 25 June 2021 we referred a matter to the Secretary of State under section 30(b) of the Local Audit and Accountability Act 2014 in relation to the Trust's breach of its statutory duty for the three-ear period ending 31 March 2021.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

As explained in the Statement of directors' responsibilities in respect of the accounts set out on page 51, the Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting

standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).

- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, improper revenue recognition, improper recognition of expenditure and payables. We determined that the principal risks were in relation to:
  - Management override of controls relating to journals, in particular high value journals posted as part of the year end closedown process which had a direct impact on reported financial results
  - improper recognition of income in the financial year
  - inappropriate recognition of expenditure in the financial year, including existence of payables, provisions and other liabilities recorded at the financial year end
  - the potential for management bias in determining accounting estimates and judgements, in particular in relation to the valuation of property, plant and equipment.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on high value journals posted as part of the year end closedown process which had a direct impact on the reported financial results
  - substantive testing of samples of balances recorded as income and expenditure in year, and as payable, provisions and other liabilities recorded at the financial year end
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations, income recognition and existence of year end payables, provisions and other liabilities
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the Trust's breach of its statutory breakeven duty, potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to valuation of property, plant and equipment, income recognition and the existence of year end payables, provisions and other liabilities.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation

- knowledge of the health sector and economy in which the Trust operates
- understanding of the legal and regulatory requirements specific to the Trust including:
  - the provisions of the applicable legislation
  - NHS Improvement's rules and related guidance
  - the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements –the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in respect of the above matter except on 25 June 2021 we identified a significant weakness in how the Trust plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the Trust's failure during 2020/21 to develop robust plans to address its underlying deficit and to identify sufficient recurrent saving.schemes for 2021/22. We recommended that the Trust prepare a medium term financial plan setting out how the underlying deficit would be addressed, and continue to work to address the balance of unidentified saving schemes for the 2021/22 financial year.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any further significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the Trust set out on page 50, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Northampton General Hospital NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed

- our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the [Trust/CCG/Authority] for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2021.

Use of our report

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

M C Stocks

Mark Stocks, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

29 June 2021

Statement of Comprehensive Income

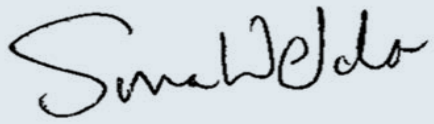
	Note	2020/21 £000	2019/20 £000
Operating income from patient care activities	3	363,708	321,285
Other operating income	4	67,078	37,844
Operating expenses	7, 9	(427,184)	(378,831)
Operating surplus/(deficit) from continuing operations		**3,602**	**(19,702)**
Finance income	12	4	109
Finance expenses	13	(393)	(1,902)
PDC dividends payable		(4,085)	(826)
Net finance costs		**(4,474)**	**(2,619)**
Other gains / (losses)	14	13	51
Surplus / (deficit) for the year from continuing operations		**(859)**	**(22,270)**
Surplus / (deficit) for the year		**(859)**	**(22,270)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(2,248)	2,259
Revaluations	18	11,216	0
Total comprehensive income / (expense) for the period		**8,109**	**(20,011)**

Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	15	2,907	1,762
Property, plant and equipment	16	185,714	158,599
Receivables	20	1,096	813
Total non-current assets		**189,717**	**161,174**
Current assets			
Inventories	19	6,309	5,474
Receivables	20	16,087	19,617
Cash and cash equivalents	21	25,428	1,576
Total current assets		**47,824**	**26,667**
Current liabilities			
Trade and other payables	22	(30,327)	(21,866)
Borrowings	24	(1,453)	(109,544)
Provisions	26	(2,477)	(1,132)
Other liabilities	23	(4,466)	(3,066)
Total current liabilities		**(38,723)**	**(135,608)**
Total assets less current liabilities		**198,818**	**52,233**
Non-current liabilities			
Borrowings	24	(9,086)	(10,258)
Provisions	26	(1,585)	(937)
Total non-current liabilities		**(10,671)**	**(11,195)**
Total assets employed		**188,147**	**41,038**
Financed by			
Public dividend capital		259,588	120,588
Revaluation reserve		42,145	33,342
Income and expenditure reserve		(113,586)	(112,892)
Total taxpayers' equity		**188,147**	**41,038**

The notes on pages 79 to 124 form part of these accounts.

The financial statements on pages 74 to 78 were approved by the Board on 29 June 2021 and signed on its behalf by



Name **Simon Weldon**
Position Group Chief Executive Officer
Date 29 June 2021

Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**120,588**	**33,342**	**(112,892)**	**41,038**
Surplus/(deficit) for the year	0	0	(859)	**(859)**
Other transfers between reserves	0	(165)	165	**0**
Impairments	0	(2,248)	0	**(2,248)**
Revaluations	0	11,216	0	**11,216**
Public dividend capital received	139,000	0	0	**139,000**
Taxpayers' and others' equity at 31 March 2021	**259,588**	**42,145**	**(113,586)**	**188,147**

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**120,538**	**31,277**	**(90,816)**	**60,999**
Prior period adjustment	0	0	0	**0**
Taxpayers' and others' equity at 1 April 2019 - restated	**120,538**	**31,277**	**(90,816)**	**60,999**
Surplus/(deficit) for the year	0	0	(22,270)	**(22,270)**
Other transfers between reserves	0	(194)	194	**0**
Impairments	0	2,259	0	**2,259**
Revaluations	0	0	0	**0**
Public dividend capital received	50	0	0	**50**
Taxpayers' and others' equity at 31 March 2020	**120,588**	**33,342**	**(112,892)**	**41,038**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus / (deficit)		3,602	(19,702)
Non-cash income and expense:			
Depreciation and amortisation	7.1	12,291	12,155
Net impairments	8	4,351	2,949
Income recognised in respect of capital donations	4	(813)	(98)
(Increase) / decrease in receivables and other assets		3,197	3,630
(Increase) / decrease in inventories		(835)	(136)
Increase / (decrease) in payables and other liabilities		3,209	426
Increase / (decrease) in provisions		1,986	1,139
Other movements in operating cash flows		(11)	(7)
Net cash flows from / (used in) operating activities		**26,977**	**356**
Cash flows from investing activities			
Interest received		4	109
Purchase of intangible assets		(2,111)	(792)
Purchase of PPE and investment property		(26,473)	(10,351)
Sales of PPE and investment property		64	51
Net cash flows from / (used in) investing activities		**(28,516)**	**(10,983)**
Cash flows from financing activities			
Public dividend capital received		139,000	50
Movement on loans from DHSC		(107,969)	14,127
Movement on other loans		146	249
Capital element of finance lease rental payments		(1,157)	(1,117)
Interest on loans		(284)	(1,429)
Other interest		0	(1)
Interest paid on finance lease liabilities		(374)	(415)
PDC dividend (paid) / refunded		(3,971)	(814)
Net cash flows from / (used in) financing activities		**25,391**	**10,650**
Increase / (decrease) in cash and cash equivalents		**23,852**	**23**
Cash and cash equivalents at 1 April - brought forward		**1,576**	**1,553**
Prior period adjustments			0
Cash and cash equivalents at 1 April - restated		**1,576**	**1,553**
Cash and cash equivalents at 31 March	21	**25,428**	**1,576**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

Note 1.3 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Payment terms are standard reflecting cross government principles.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer and is measured at the amount of the transaction price allocated to that performance obligation.

National Top Up Revenue

Revenue Received in 2020/21 through National top up funding arrangements in response to the Covid-19 pandemic have been fully recognised in 2020/21 to match the underlying expenditure to which it relates.

Contract / Invoice Challenges

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this with an adjustment to recognise the relevant portion of income

Penalties

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in an adjustment in recognition of revenue reduction. Revenue is reduced by the value of the penalty.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. No contracts have been identified which include any performance obligations for 2020/21. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.4 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
• Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Subsequent expenditure

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

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided.

The Trust undertakes an annual desktop revaluation exercise with a full revaluation exercise undertaken on a five yearly basis. A desk top exercise has been undertaken during 2020-21 and applicable at 31 March 2021.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

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

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	15	56
Dwellings	34	34
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	10
Furniture & fittings	5	5

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets

Recognition

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

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. . Internally generated assets are recognised if, and only if, all of the following have been demonstrated:
• The technical feasibility of completing the intangible asset so that it will be available for use
• The intention to complete the intangible asset and use it
• The ability to sell or use the intangible asset
• How the intangible asset will generate probably future economic benefits or service potential
• The availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it, and
• The ability to measure reliably the expenditure attributable to the intangible asset during its development

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

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

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Information technology	3	5
Software licences	1	8

Note 1.9 Inventories

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

Drugs and consumables are valued at current replacement costs; this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Fuel Oil is valued at the lower of cost and net realisable value, recognising that it has limited commercial value.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.10 Cash and cash equivalents

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

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

Note 1.11 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

A full review has been undertaken by invoice type which includes general, private patient, overseas visitors, salary overpayments and NHS organisations. This has been analysed by levels of aged debt to determine a level of anticipated loss in relation to these. The overseas visitors assumes an average recovery level based on cash received for invoices raised in 2019/20 circa 27%. A specific loss basis has been included for longstanding debt included in 2019/20 (to be updated M12) and for specific accounts being undertaken to recover salary overpayments on a case by case basis. This does not include outstanding debt with other NHS organisations.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.12 Leases

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

The trust as a lessee

Finance leases

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

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

Leases of land and buildings

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

The trust as a lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021:

		Nominal rate
Short-term	Up to 5 years	minus 0.2%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 26.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 27, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 Value added tax

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

Note 1.17 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.18 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.19 Third party assets

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

Note 1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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

Note 1.21 Gifts

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

Note 1.22 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.23 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The following judgements have been made by the trust in implementing IFRS 16:

• Property leased from NHS Property Services – in the absence of a formal contract, the lease term is deemed to be a further 10 years
• Leased cars – a proportion of lease car contracts have a remaining term of less than 12 months, and would be considered short term and therefore a right of use asset would not be recognised. An assumption has been made that a new lease contract will be entered into at the end of the current contract.
• Consumable deals – contracts including a fixed minimum purchase clause have been included. Those where there is no commitment to purchase will be charged as an operating expense to I & E and no lease liability or right of use asset recognised.
• Photocopiers/multifunction devices have been excluded as payments over the life of the contract are below the £5,000 threshold.
• Off-site staff car parking spaces rented from the local council have been excluded as they are not ring-fenced for sole use by the trust

Trust plans for the implementation of IFRS 16 included a review of all contracts. This exercise has been completed for existing contracts & has involved working closely with the Procurement Team and the wider trust. There is an awareness of IFRS 16 and its consequences and implications across the trust. Contracts being renewed or entered into are now being reviewed in line with IFRS 16 as part of the procurement process.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Note 1.24 Critical judgements in applying accounting policies

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

• preservation of going concern status with no major service continuation
• determining the appropriate asset lives for the Trust's buildings following a professional review undertaken by professionally qualified chartered surveyors
• determining the appropriate method of valuation of the Trust's property assets and in particular when and how to apply the Modern Equivalent Asset method of valuation
• determining when to write-off receivables or to provide against the probability of not being able to collect debt
• determining when to make provisions for probable legal and constructive obligations of uncertain timing or amount as at the reporting date
• Review of Trust revenue contracts in applying with IFRS15 to determine the impact of determining the timing of revenue recognised as required by paragraphs 123 to 126 of the standard , where not already disclosed within the accounting policy for revenue from contracts with customers

Note 1.25 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

As detailed in Accounting Policy note 18, Revaluations of property plant and equipment, Valuation company Gerald Eve provided the trust with a valuation of the land and building assets (estimated fair value and remaining useful life). The significant estimation being the depreciated replacement value (using modern equivalent methodology) of the Trust's Land and Buildings. The underlying space being valued is based on an assessment of Gross Internal Area (GIA) which is undertaken by the Trust's estates department, and that this assessment is updated on a regular basis. Further revaluations of the Trust's property may result in further material change to the carrying value of these assets.

Note 2 Operating Segments

The Trust Board considers all of its operations to be the provision of Healthcare operated as a single segment.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

Note 3.1 Income from patient care activities (by nature)	2020/21	2019/20 Restated
	£000	£000
Block contract / system envelope income*	320,936	282,363
High cost drugs income from commissioners (excluding pass-through costs)	24,622	24,712
Other NHS clinical income	1,688	2,469
All services		
Private patient income	402	779
Additional pension contribution central funding**	9,973	9,071
Other clinical income	6,087	1,891
Total income from activities	**363,708**	**321,285**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2020/21 £000	2019/20 £000
NHS England	62,236	59,796
Clinical commissioning groups	298,546	257,653
Department of Health and Social Care	0	0
Other NHS providers	627	1,004
NHS other	107	107
Local authorities	0	0
Non-NHS: private patients	402	779
Non-NHS: overseas patients (chargeable to patient)	753	645
Injury cost recovery scheme	1,037	1,246
Non NHS: other	0	55
Total income from activities	**363,708**	**321,285**
Of which:		
Related to continuing operations	363,708	321,285
Related to discontinued operations	0	0

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2020/21	2019/20
	£000	£000
Income recognised this year	753	645
Cash payments received in-year	117	120
Amounts added to provision for impairment of receivables	45	81
Amounts written off in-year	124	26

Note 4 Other operating income

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	241	0	**241**	188	0	**188**
Education and training	12,835	375	**13,210**	10,311	304	**10,615**
Non-patient care services to other bodies	1,322	0	**1,322**	1,765	0	**1,765**
Provider sustainability fund - core (2019/20 only)	0	0	**0**	2,606	0	**2,606**
Financial recovery fund (2019/20 only)	0	0	**0**	3,723	0	**3,723**
Marginal rate emergency tariff funding (2019/20 only)	0	0	**0**	5,918	0	**5,918**
Reimbursement and top up funding	36,203	0	**36,203**	0	0	**0**
Income in respect of employee benefits accounted on a gross basis	3,372	0	**3,372**	3,626	0	**3,626**
Receipt of capital grants and donations	0	813	**813**	0	98	**98**
Charitable and other contributions to expenditure	0	6,165	**6,165**	0	477	**477**
Care for mergers	0	0	**0**	0	0	**0**
Rental revenue from finance leases	0	0	**0**	0	0	**0**
Rental revenue from operating leases	0	30	**30**	0	44	**44**
Amortisation of PFI deferred income / credits		0	**0**		0	**0**
Other income	5,722	0	**5,722**	8,784	0	**8,784**
Total other operating income	**59,695**	**7,383**	**67,078**	**36,921**	**923**	**37,844**
Of which:						
Related to continuing operations			67,078			37,844
Related to discontinued operations			0			0

Other contract income includes :

Pharmacy Sales	£354k (£517k)
Accommodation Charges	£386k (£499k)
Clinical Tests	£521k (£1,140k)
Car Parking Income	£35k (£1,375k)
Catering	£906k (£2,035k)
VAT Audit Claim	£79k (£65k)
Sterile Services Sales	£72k (£449k)
Covid Antibody Tests	£807k (£0k)

Non-Contract Income

Receipt of capital grants and donations

Northamptonshire Health Charity	£280k (£98k)
DHSC for Covid Response	£533k (£0k)

Charitable and other contributions to expenditure

Northamptonshire Health Charity	£464k (£477k)
DHSC for Covid Response - Equipment	£35k (£0k)
DHSC for Covid Response - Consumables (PPE)	£5,666k (£0k)

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	1,814	1,868
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	0

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 6 Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2020/21 £000	2019/20 £000
Income	962	3,473
Full cost	(1,282)	(1,837)
Surplus / (deficit)	**(320)**	**1,636**

Services include Catering and Car Parking.

Note 7.1 Operating expenses

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	198	140
Purchase of healthcare from non-NHS and non-DHSC bodies	1,151	1,850
Staff and executive directors costs	291,159	256,071
Remuneration of non-executive directors	126	97
Supplies and services - clinical (excluding drugs costs)	39,650	34,305
Supplies and services - general	3,642	3,951
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	29,888	30,589
Inventories written down	123	83
Consultancy costs	181	405
Establishment	3,041	2,659
Premises	15,078	12,609
Transport (including patient travel)	314	559
Depreciation on property, plant and equipment	11,347	11,109
Amortisation on intangible assets	944	1,046
Net impairments	4,351	2,949
Movement in credit loss allowance: contract receivables / contract assets	813	404
Change in provisions discount rate(s)	5	9
Audit fees payable to the external auditor		
audit services- statutory audit	80	51
other auditor remuneration (external auditor only)	0	11
Internal audit costs	109	116
Clinical negligence	12,645	11,447
Legal fees	1,149	627
Insurance	246	203
Research and development	15	18
Education and training	1,173	1,415
Rentals under operating leases	1,340	1,157
Redundancy	67	74
Car parking & security	89	382
Hospitality	2	10
Losses, ex gratia & special payments	0	12
Other services, eg external payroll	1,428	1,525
Other	6,830	2,948
Total	**427,184**	**378,831**
Of which:		
Related to continuing operations	427,184	378,831

Other auditors remuneration includes:

- Quality Accounts Audit Fee £0k (£2k)
- IFRIC12 & IFRS16 Workshop £0k (£9k)

Other expenditure includes:

Translation Services £108k (£141k)
Home Oxygen Service £220k (£214k)
Professional Subscriptions £363k (£365k)
Professional Fees & Services £1,681k (£796k)
Contribution towards Northamptonshire Health and Care Partnership Frailty Scheme £3,000k (£0k)

Note 7.2 Other auditor remuneration

	2020/21 £000	2019/20 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	0	0
2. Audit-related assurance services	0	2
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
8. Other non-audit services not falling within items 2 to 7 above	0	9
Total	**0**	**11**

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1 million (2019/20: £1 million).

Note 8 Impairment of assets

	2020/21 £000	2019/20 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	1,651	0
Changes in market price	2,700	2,949
Total net impairments charged to operating surplus / deficit	**4,351**	**2,949**
Impairments charged to the revaluation reserve	2,248	(2,259)
Total net impairments	**6,599**	**690**

The annual desktop revaluation exercise was completed by the valuation company, Gerald Eve and applied at 31 March 2021. This resulted in a total increase in site valuation of £6,268k. This has been funded by a movement on the Impairment Reserve of £2,700 and a movement on the Revaluation Reserve of £8,968k, of which £2,248k was an impairment charged to the Revaluation Reserve.

Land value has increased from £7,337k to £8,698k a total of £1,361k. Last year the effect of Covid-19 reduced the land value rate of £500k per acre to £450k per acre. In this year's valuation, the valuers note that transactions are still taking place and developers are still able to carry out construction and there is much less risk in the market. Therefore the land value rate has been revised back to £500k per acre in line with market evidence.

There has been an increase in Buildings value of £4,907k. Resulting in the overall increase of £6,268k

The Trust has also recognised an impairment of £1,651k as a result of giving notice on the current IT patient record system at the end of 2021/22.

Note 9 Employee benefits

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	216,563	187,688
Social security costs	22,242	19,520
Apprenticeship levy	1,063	942
Employer's contributions to NHS pensions *	32,881	29,851
Pension cost - other	58	36
Termination benefits	67	74
Temporary staff (including agency)	19,114	18,598
Total gross staff costs	**291,988**	**256,709**
Recoveries in respect of seconded staff	0	0
Total staff costs	**291,988**	**256,709**
Of which		
Costs capitalised as part of assets	762	564

* Included in the above is £9,973k relating to the recent revaluation of public sector pensions schemes amounting to 6.3% (increase from 14.38% to 20.68%) in the employer contribution rate. In line with DHSC guidance, the Trust contributed 14.38% and the balance of 6.3% was paid on its behalf by DHSC. However the full cost of 20.68% is included on a gross basis in the acocunts as entities are required to account for this as notional funding.

Note 9.1 Retirements due to ill-health

During 2020/21 there was 1 early retirement from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £73k (£29k in 2019/20).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

The Trust offers an additional defined contribution workplace pension scheme (the National Employment Savings Scheme (NEST)). Employer contribution rate payable is 3%.

Note 11 Operating leases

Note 11.1 Northampton General Hospital NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Northampton General Hospital NHS Trust is the lessor.

An optician's shop and Boot's chemist operate on the Trust's site under operating leases.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	30	44
Contingent rent	0	0
Other	0	0
Total	**30**	**44**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year;	30	44
- later than one year and not later than five years;	0	0
- later than five years.	0	0
Total	**30**	**44**

A nursery is situated on the hospital site, the building being originally funded by the childcare provider, with the land being leased at a peppercorn rent. At the end of the lease the building has the potential to transfer to the Trust, this is currently assumed to have a zero fair value.

Note 11.2 Northampton General Hospital NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Northampton General Hospital NHS Trust is the lessee.

The Trust has a variety of operating leases, the majority of which when considered on an individual basis are of non material value. These include medical equipment, leased cars, photocopiers, pathology systems and Springfield House.

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	1,340	1,157
Contingent rents	0	0
Less sublease payments received	0	0
Total	**1,340**	**1,157**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:		
- not later than one year;	1,280	1,210
- later than one year and not later than five years;	3,925	3,292
- later than five years.	3,713	3,701
Total	**8,918**	**8,203**
Future minimum sublease payments to be received	0	0

Note 12 Finance income

Finance income represents interest received on assets and investments in the period.

	2020/21	2019/20
	£000	£000
Interest on bank accounts	4	109
Total finance income	**4**	**109**

Note 13.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	0	1,461
Finance leases	375	423
Interest on late payment of commercial debt	0	1
Total interest expense	**375**	**1,885**
Unwinding of discount on provisions	7	10
Other finance costs	11	7
Total finance costs	**393**	**1,902**

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2020/21	2019/20
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	0	1

Note 14 Other gains / (losses)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	64	51
Losses on disposal of assets	(51)	0
Total gains / (losses) on disposal of assets	**13**	**51**

Note 15 Intangible assets - 2020/21

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**9,243**	**345**	**215**	**9,803**
Additions	1,483	0	657	**2,140**
Reclassifications	27	0	(27)	**0**
Disposals / derecognition	(260)	0	0	**(260)**
Valuation / gross cost at 31 March 2021	**10,493**	**345**	**845**	**11,683**
Amortisation at 1 April 2020 - brought forward	**7,696**	**345**	**0**	**8,041**
Provided during the year	944	0	0	**944**
Disposals / derecognition	(209)	0	0	**(209)**
Amortisation at 31 March 2021	**8,431**	**345**	**0**	**8,776**
Net book value at 31 March 2021	**2,062**	**0**	**845**	**2,907**
Net book value at 1 April 2020	**1,547**	**0**	**215**	**1,762**

Note 15.1 Intangible assets - 2019/20

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**8,636**	**345**	**70**	**9,051**
Prior period adjustments	0	0	0	**0**
Valuation / gross cost at 1 April 2019 - restated	**8,636**	**345**	**70**	**9,051**
Additions	594	0	221	**815**
Reclassifications	76	0	(76)	**0**
Disposals / derecognition	(63)	0	0	**(63)**
Valuation / gross cost at 31 March 2020	**9,243**	**345**	**215**	**9,803**
Amortisation at 1 April 2019 - as previously stated	**6,713**	**345**	**0**	**7,058**
Prior period adjustments	0	0	0	**0**
Amortisation at 1 April 2019 - restated	**6,713**	**345**	**0**	**7,058**
Provided during the year	1,046	0	0	**1,046**
Disposals / derecognition	(63)	0	0	**(63)**
Amortisation at 31 March 2020	**7,696**	**345**	**0**	**8,041**
Net book value at 31 March 2020	**1,547**	**0**	**215**	**1,762**
Net book value at 1 April 2019	**1,923**	**0**	**70**	**1,993**

Note 16.1 Property, plant and equipment - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**7,337**	**129,801**	**464**	**1,229**	**45,703**	**103**	**20,234**	**157**	**205,028**
Additions	0	7,043	0	19,846	4,113	39	2,804	0	**33,845**
Impairments	0	(8,533)	0	0	0	0	(1,651)	0	**(10,184)**
Reversals of impairments	1,361	2,224	0	0	0	0	0	0	**3,585**
Revaluations	0	3,507	(28)	0	0	0	0	0	**3,479**
Reclassifications	0	9,910	0	(9,230)	(680)	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(1,378)	0	(755)	0	**(2,133)**
Valuation/gross cost at 31 March 2021	**8,698**	**143,952**	**436**	**11,845**	**47,758**	**142**	**20,632**	**157**	**233,620**
Accumulated depreciation at 1 April 2020 - brought forward	**0**	**2,354**	**0**	**0**	**31,222**	**59**	**12,637**	**157**	**46,429**
Provided during the year	0	5,403	28	0	3,296	13	2,607	0	**11,347**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(7,709)	(28)	0	0	0	0	0	**(7,737)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(1,378)	0	(755)	0	**(2,133)**
Accumulated depreciation at 31 March 2021	**0**	**48**	**0**	**0**	**33,140**	**72**	**14,489**	**157**	**47,906**
Net book value at 31 March 2021	**8,698**	**143,904**	**436**	**11,845**	**14,618**	**70**	**6,143**	**0**	**185,714**
Net book value at 1 April 2020	**7,337**	**127,447**	**464**	**1,229**	**14,481**	**44**	**7,597**	**0**	**158,599**

Note 16.2 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**9,834**	**126,366**	**495**	**650**	**46,313**	**83**	**22,211**	**157**	**206,109**
Prior period adjustments	0	0	0	0	0	0	0	0	**0**
Valuation / gross cost at 1 April 2019 - restated	**9,834**	**126,366**	**495**	**650**	**46,313**	**83**	**22,211**	**157**	**206,109**
Additions	0	5,196	0	1,208	1,794	20	2,189	0	**10,407**
Impairments	(1,090)	(2,830)	0	(54)	0	0	0	0	**(3,974)**
Reversals of impairments	0	6,233	0	0	0	0	0	0	**6,233**
Revaluations	(1,407)	(5,164)	(31)	0	0	0	0	0	**(6,602)**
Reclassifications	0	0	0	(575)	369	0	206	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(2,773)	0	(4,372)	0	**(7,145)**
Valuation/gross cost at 31 March 2020	**7,337**	**129,801**	**464**	**1,229**	**45,703**	**103**	**20,234**	**157**	**205,028**
Accumulated depreciation at 1 April 2019 - as previously stated	**0**	**1,056**	**0**	**0**	**30,536**	**53**	**14,316**	**157**	**46,118**
Prior period adjustments	0	0	0	0	0	0	0	0	**0**
Accumulated depreciation at 1 April 2019 - restated	**0**	**1,056**	**0**	**0**	**30,536**	**53**	**14,316**	**157**	**46,118**
Provided during the year	0	4,920	31	0	3,459	6	2,693	0	**11,109**
Impairments	1,407	4,509	0	0	0	0	0	0	**5,916**
Reversals of impairments	0	(2,967)	0	0	0	0	0	0	**(2,967)**
Revaluations	(1,407)	(5,164)	(31)	0	0	0	0	0	**(6,602)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(2,773)	0	(4,372)	0	**(7,145)**
Accumulated depreciation at 31 March 2020	**0**	**2,354**	**0**	**0**	**31,222**	**59**	**12,637**	**157**	**46,429**
Net book value at 31 March 2020	**7,337**	**127,447**	**464**	**1,229**	**14,481**	**44**	**7,597**	**0**	**158,599**
Net book value at 1 April 2019	**9,834**	**125,310**	**495**	**650**	**15,777**	**30**	**7,895**	**0**	**159,991**

Note 16.3 Property, plant and equipment financing - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021									
Owned - purchased	8,698	124,950	436	11,840	13,734	54	6,138	0	**165,850**
Finance leased	0	12,069	0	0	0	0	0	0	**12,069**
Owned - donated/granted	0	6,885	0	5	884	16	5	0	**7,795**
NBV total at 31 March 2021	**8,698**	**143,904**	**436**	**11,845**	**14,618**	**70**	**6,143**	**0**	**185,714**

Note 16.4 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	7,337	109,676	464	1,229	14,200	25	7,591	0	**140,522**
Finance leased	0	10,521	0	0	0	0	0	0	**10,521**
Owned - donated/granted	0	7,250	0	0	281	19	6	0	**7,556**
NBV total at 31 March 2020	**7,337**	**127,447**	**464**	**1,229**	**14,481**	**44**	**7,597**	**0**	**158,599**

Note 17 Donations of property, plant and equipment

The table below details donations of property,plant and equipment received during the year from Northamptonshire Health Charitable Funds. It also includes donations of equipment from DHSC as part of the coronavirus pandemic response.

Description	Department	2020/21
		£000
Equipment		
Mammography Biopsy Mobile Chair	Breast Screening	6
Prime X Zoom Trolley	Medical Equipment library	8
Video Laryngoscope	ENT	64
Bladder Scanner	Oncology	7
Bladder Scanner	Cedar Ward	7
Bladder Scanner	Radiotherapy	7
Bladder Scanner	Esther white Ward	7
Bradshaw Tow Tug	Waste Team	7
Laparascopic surgery camera	Obs & Gynae	92
Arcomatic Chair	Urology	15
		220
Buildings		
Chapel Air Conditioning		6
ED Staffroom works		11
Barratt Reflective Garden		37
AUC - Parents Accomodation		5
		59
DHSC Donated Equipment		
Mobile X-Ray unit	Radiology	100
4 x Ventilators	Critical Care	126
30 x GE Monitors	Trustwide	190
11 x Mindray Monitors	Trustwide	70
4 x Glidescopes	Trustwide	36
2 x Biological Safety Cabinet	Pathology	11
		533
Total Donated Assets		**812**

Note 18 Revaluations of property, plant and equipment

Valuation company Gerald Eve carried out an update valuation as at 31st March 2021, to the 5 yearly valuation that they carried out at 31st March 2020. The valuations have been prepared to comply with IFRS, specifically with regard to IAS 16 Property Plant and Equipment, IAS40 Investment Properties.

As per the definitions in the current standard the Trust's property is identified as 'specialised property' and therefore valued on a Depreciated Replacement Cost (DRC) method.

Land values increased by £1,361k in main due to the price increase of £450k per acre of last year (a decrease due to the Covid-19 pandemic) to £500k per acre of this year.

Buildings increased by £4,907k , therefore an overall increase in site value of £6,268k. This includes the revaluation of the Nye Bevan and Car Park finance leases of £2,832k not previously revalued.

This has been funded by a £8,968k charge to the Revaluation Reserve and a £2,700k charge to the Impairment reserve.

Asset Type	Total Adjustment £000s	Revaluation Adjustment £000s	Impairment Adjustment £000s
Land	1,361		1,361
Building	4,907	8,968	(4,061)
Total Revaluation	**6,268**	**8,968**	**(2,700)**
Equipment Historic Cost adjustment	(165)	(165)	0
Total Adjustment	**6,103**	**8,803**	**(2,700)**

There is also a historic cost charge of £165k taken to the Revaluation Reserve for equipment, this is the adjustment made to write down the indexation that has been applied to equipment in previous years.

The Gross carrying amount of fully depreciated assets still in use for plant and equipment is £29,141k (£26,671k in 19/20) and for intangible assets it is £7,562k (£6,818k in 19/20)

Note 19 Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	2,218	2,142
Consumables*	4,072	3,313
Energy	19	19
Total inventories	**6,309**	**5,474**
of which:		
Held at fair value less costs to sell	0	0

* includes £301k Department of Health and Social Care centrally procured personal protective equipment

Inventories recognised in expenses for the year were £58,674k (2019/20: £56,722k). Write-down of inventories recognised as expenses for the year were £123k (2019/20: £83k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £5,666k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 20.1 Receivables

	31 March 2021	31 March 2020
	£000	£000
Current		
Contract receivables	11,328	15,113
Allowance for impaired contract receivables / assets	(1,204)	(1,091)
Prepayments (non-PFI)	4,991	4,808
Finance lease receivables	9	9
PDC dividend receivable	0	50
VAT receivable	924	695
Other receivables*	39	33
Total current receivables	**16,087**	**19,617**
Non-current		
Finance lease receivables	169	177
Other receivables*	927	636
Total non-current receivables	**1,096**	**813**
Of which receivable from NHS and DHSC group bodies:		
Current	4,520	9,040
Non-current	927	636

*Other receivables - Clinician pension tax provision reimbursement funding from NHS England

Note 20.2 Allowances for credit losses

	2020/21		2019/20	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**1,091**	**0**	**1,070**	**0**
Prior period adjustments	0	0	0	0
Allowances as at 1 April - restated	**1,091**	**0**	**1,070**	**0**
New allowances arising	813	0	424	0
Reversals of allowances	0	0	(20)	0
Utilisation of allowances (write offs)	(700)	0	(383)	0
Allowances as at 31 Mar 2021	**1,204**	**0**	**1,091**	**0**

Note 21 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2020/21 £000	2019/20 £000
At 1 April	**1,576**	**1,553**
Prior period adjustments	0	0
At 1 April (restated)	**1,576**	**1,553**
At start of period for new FTs	**0**	**0**
Transfers by absorption	0	0
Net change in year	23,852	23
At 31 March	**25,428**	**1,576**
Broken down into:		
Cash at commercial banks and in hand	35	43
Cash with the Government Banking Service	25,393	1,533
Deposits with the National Loan Fund	0	0
Other current investments	0	0
Total cash and cash equivalents as in SoFP	**25,428**	**1,576**
Bank overdrafts (GBS and commercial banks)	0	0
Drawdown in committed facility	0	0
Total cash and cash equivalents as in SoCF	**25,428**	**1,576**

Note 21.1 Third party assets held by the trust

Northampton General Hospital NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2021 £000	31 March 2020 £000
Bank balances	0	0
Monies on deposit	0	0
Total third party assets	**0**	**0**

Note 22.1 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	1,899	2,435
Capital payables	8,507	1,919
Accruals	17,923	8,463
Social security costs	869	5,397
PDC dividend payable	64	0
Other payables	1,065	3,652
Total current trade and other payables	**30,327**	**21,866**
Non-current		
Trade payables	0	0
Capital payables	0	0
Accruals	0	0
Receipts in advance and payments on account	0	0
PFI lifecycle replacement received in advance	0	0
VAT payables	0	0
Other taxes payable	0	0
Other payables	0	0
Total non-current trade and other payables	**0**	**0**
Of which payables from NHS and DHSC group bodies:		
Current	1,062	1,062
Non-current	0	0

Note 22.2 Early retirements in NHS payables above

There was no early retirements included in the payables note above (2019/20 - Nil)

Note 23 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	4,466	3,066
Total other current liabilities	**4,466**	**3,066**
Non-current		
Other deferred income	0	0
Total other non-current liabilities	**0**	**0**

The growth in Deferred income; contract liabilties reflects an increase in the volume of schemes and projects carried over into the following financial year compared with 31 March 2020.

Note 24.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from DHSC	0	108,253
Other loans - Salix	247	134
Obligations under finance leases	1,206	1,157
Total current borrowings	**1,453**	**109,544**
Non-current		
Other loans - Salix	763	730
Obligations under finance leases	8,323	9,528
Total non-current borrowings	**9,086**	**10,258**

Loans from DHSC

During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 have been extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment

Other Loans - Salix

The Trust has taken advantage of participating in the Energy Efficiency Loan Scheme operated by Salix Finance Ltd.

The Trust has agreed 11 schemes since 2013/14, of which 7 have been fully repaid.

Each of the loans are subject to zero interest and the remaining outstanding loans are repayable over 5 years in equal instalments. Repayment commences 6 months after completion of the scheme.

Note 24.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**108,253**	**864**	**10,685**	**119,802**
Cash movements:				
Financing cash flows - payments and receipts of principal	(107,969)	146	(1,157)	**(108,980)**
Financing cash flows - payments of interest	(284)	0	(374)	**(658)**
Non-cash movements:				
Application of effective interest rate	0	0	375	**375**
Carrying value at 31 March 2021	**0**	**1,010**	**9,529**	**10,539**

Note 24.3 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**94,094**	**615**	**11,686**	**106,395**
Prior period adjustment	0	0	0	**0**
Carrying value at 1 April 2018 - restated	**94,094**	**615**	**11,686**	**106,395**
Cash movements:				
Financing cash flows - payments and receipts of principal	14,127	249	(1,117)	**13,259**
Financing cash flows - payments of interest	(1,429)	0	(307)	**(1,736)**
Non-cash movements:				
Application of effective interest rate	1,461	0	423	**1,884**
Carrying value at 31 March 2020	**108,253**	**864**	**10,685**	**119,802**

Note 25 Finance leases

Note 25.1 Northampton General Hospital NHS Trust as a lessor

Future lease receipts due under finance lease agreements where the trust is the lessor:

Northamptonshire Healthcare NHS Foundation Trust occupies Battle House under a Finance Lease arrangement

	31 March 2021 £000	31 March 2020 £000
Gross lease receivables	**178**	**186**
of which those receivable:		
- not later than one year;	9	9
- later than one year and not later than five years;	36	36
- later than five years.	133	141
Net lease receivables	**178**	**186**
of which those receivable:		
- not later than one year;	9	9
- later than one year and not later than five years;	36	36
- later than five years.	133	141
The unguaranteed residual value accruing to the lessor	0	0
Contingent rents recognised as income in the period	0	0

Note 25.2 Northampton General Hospital NHS Trust as a lessee

Obligations under finance leases where the trust is the lessee.

The Trust car park decking and Nye Bevan block were both completed under a Finance Lease arrangement. Each lease has a 10 year term the car park is due to end in 2025/26 & the Nye Bevan block in 2028/29.

	31 March 2021 £000	31 March 2020 £000
Gross lease liabilities	**9,529**	**10,685**
of which liabilities are due:		
- not later than one year;	1,206	1,157
- later than one year and not later than five years;	5,244	5,113
- later than five years.	3,079	4,415
Finance charges allocated to future periods	0	0
Net lease liabilities	**9,529**	**10,685**
of which payable:		
- not later than one year;	1,206	1,157
- later than one year and not later than five years;	5,244	5,113
- later than five years.	3,079	4,415
Total of future minimum sublease payments to be received at the reporting date	0	0
Contingent rent recognised as expense in the period	0	0

Note 26.1 Provisions for liabilities and charges analysis

	Pensions: injury benefits	Redundancy	2019/20 Clinicians' pension reimbursement	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2020	**178**	**60**	**669**	**1,162**	**2,069**
Arising during the year	0	71	297	2,369	**2,737**
Unwinding of discount	7	0	0	0	**7**
At 31 March 2021	**175**	**71**	**906**	**2,850**	**4,002**
Expected timing of cash flows:					
- not later than one year;	16	71	**39**	**2,351**	**2,477**
- later than one year and not later than five years;	59	0	**157**	**499**	**715**
- later than five years.	100	0	**770**	**0**	**870**
Total	**175**	**71**	**966**	**2,850**	**4,062**

Pensions: injury benefits provisions are based on expected lives and current levels of payment.

Clinician pension tax reimbursement

Clinicians who are members of the NHS Pension Scheme and face an annual allowance tax charge for work undertaken in 2019/20 can elect to have this charge paid by the NHS Pension Scheme. The employing trust will make a contractually binding commitment to pay a corresponding compensated amount on retirement, therefore the provider has a future obligation upon the individual's retirement.

The provision arising is broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 Commitment. The provision has been calculated based on the assessed number of Consultants that were making pension contributions in March 2021, using the pre-calculated national 'average discounted value per nomination' provided by NHSE/I. The deadline for initial nomination is 31 July 2021, with the ability to make changes up to 31 July 2024.

This payment will be nationally funded therefore the provision recognised is matched with a receivable from NHS England (Note 21.1).

Other Provisions

Other Provisions relate to employment claims, accrued NHS expenditure not agreed as part of the Agreement of Balances exercise & further costs associated with future redundancy settlement.

Note 26.2 Clinical negligence liabilities

At 31 March 2021, £189,248k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Northampton General Hospital NHS Trust (31 March 2020: £153,035k).

Note 27 Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	0	0
Employment tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
Gross value of contingent liabilities	**0**	**0**
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	**0**	**0**
Net value of contingent assets	**0**	**0**

Note 28 Contractual capital commitments

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	8,833	3,228
Intangible assets	875	828
Total	**9,708**	**4,056**

The Trust has various capital commitments at year end, including £4,823k to Catfoss Group Manufacturing who are constructing the new Critical Care build.

Note 29 Financial instruments

Note 29.1 Financial risk management

Note Financial risk management
Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Group are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health & Social Care (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust 's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust 's operating costs are incurred under contracts with primary care, Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 29.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	10,163	0	0	**10,163**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	25,428	0	0	**25,428**
Total at 31 March 2021	**35,591**	**0**	**0**	**35,591**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	14,055	0	0	**14,055**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	1,576	0	0	**1,576**
Total at 31 March 2020	**15,631**	**0**	**0**	**15,631**

Note 29.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	0	0	**0**
Obligations under finance leases	9,529	0	**9,529**
Other borrowings	1,010	0	**1,010**
Trade and other payables excluding non financial liabilities	29,394	0	**29,394**
Total at 31 March 2021	**39,933**	**0**	**39,933**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	108,253	0	**108,253**
Obligations under finance leases	10,685	0	**10,685**
Other borrowings	864	0	**864**
Trade and other payables excluding non financial liabilities	13,401	0	**13,401**
Total at 31 March 2020	**133,203**	**0**	**133,203**

Note 29.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	30,847	122,945
In more than one year but not more than five years	6,007	5,810
In more than five years	3,079	4,448
Total	**39,933**	**133,203**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 29.5 Fair values of financial assets and liabilities

The Trust holds no financial assets and liabilities on a fair value basis.

Note 30 Losses and special payments

	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	0	0	116	32
Fruitless payments and constructive losses	0	0	0	0
Bad debts and claims abandoned	308	183	80	27
Stores losses and damage to property	0	0	0	0
Total losses	**308**	**183**	**196**	**59**
Special payments				
Compensation under court order or legally binding arbitration award	0	0	0	0
Extra-contractual payments	0	0	0	0
Ex-gratia payments	34	71	35	137
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Total special payments	**34**	**71**	**35**	**137**
Total losses and special payments	**342**	**254**	**231**	**196**
Compensation payments received		0		0

Note 31 Related parties

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Northampton General Hospital NHS Trust.

The Department of Health & Social Care is regarded as a related party. During the year Northampton General Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

These entities include :

Health Education England, NHS England, Northamptonshire & Milton Keynes Clinical Commissioning Groups, East Midlands Specialised Commissioning Hub, Central Midlands Local Office, Northamptonshire Healthcare NHS Foundation Trust, Kettering General Hospital Foundation Trust, University Hospitals of Leicester NHS Trust, Oxford University Hospitals Foundation Trust, NHS Resolution and NHS Blood and Transplant.

Group Transactions with Kettering General Hospital Foundation Trust were £1,674k for Total Income and £1,102k for Total Expenditure

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Northampton Borough Council (Business Rates), Northamptonshire County Council (Pathology Services) and HM Revenue & Customs (Employers National Insurance contribution), National Health Service Pension Fund Scheme and NHS Business Services Authority.

The Trust has also received revenue and capital payments from Northamptonshire Health Charitable fund.

Grants which were received from the Charity have been treated in the Trust's Accounts as income and have primarily contributed towards staff and patients welfare. The Charity also funded Building Works & Medical Equipment.

The Charity owns Springfield House, part of which is being leased to the Trust. The facility is being utilised to provide a GP streaming service. The Trust pays an annual lease charge and also facilities costs.

Note 32 Events after the reporting date

There are no material events after the reporting date of 31 March 2021 which effect the financial position.

Note 33 Better Payment Practice code

	2020/21	2020/21	2019/20	2019/20
Non-NHS Payables	**Number**	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid in the year	64,800	146,350	78,872	120,078
Total non-NHS trade invoices paid within target	63,937	144,396	78,255	117,635
Percentage of non-NHS trade invoices paid within target	98.7%	98.7%	99.2%	98.0%
NHS Payables				
Total NHS trade invoices paid in the year	1,604	21,839	2,068	20,723
Total NHS trade invoices paid within target	1,553	21,652	2,053	20,593
Percentage of NHS trade invoices paid within target	96.8%	99.1%	99.3%	99.4%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 34 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2020/21	2019/20
	£000	**£000**
Cash flow financing	6,168	13,286
Finance leases taken out in year	0	0
Other capital receipts	0	0
External financing requirement	**6,168**	**13,286**
External financing limit (EFL)	37,059	14,707
Under / (over) spend against EFL	**30,891**	**1,421**

The underspend arises as Public Dividend Capital has been received in 2020/21 for Capital Schemes due to complete in 2021/22 and significant increase in closing cash balance.

Note 35 Capital Resource Limit

	2020/21	2019/20
	£000	**£000**
Gross capital expenditure	35,985	11,222
Less: Disposals	(51)	0
Less: Donated and granted capital additions	(813)	(98)
Plus: Loss on disposal from capital grants in kind	0	0
Charge against Capital Resource Limit	**35,121**	**11,124**
Capital Resource Limit	42,262	11,124
Under / (over) spend against CRL	**7,141**	**0**

Note 36 Breakeven duty financial performance

	2020/21
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	1,138
Remove impairments scoring to Departmental Expenditure Limit	1,651
Add back non-cash element of On-SoFP pension scheme charges	0
IFRIC 12 breakeven adjustment	0
Breakeven duty financial performance surplus / (deficit)	**2,789**

Note 37 Breakeven duty rolling assessment

The application of breakeven duty means that if a cumulative surplus or deficit is reported (greater than a materiality threshold of 0.5% of operating income), it should be recovered within the subsequent four financial years.

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		2,081	1,109	504	399	197	(16,525)
Breakeven duty cumulative position	2,892	4,973	6,082	6,586	6,985	7,182	(9,343)
Operating income		227,805	236,260	255,481	271,295	276,894	270,358
Cumulative breakeven position as a percentage of operating income		2.2%	2.6%	2.6%	2.6%	2.6%	(3.5%)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(20,151)	(13,847)	(23,339)	(14,432)	(19,055)	2,789
Breakeven duty cumulative position	(29,494)	(43,341)	(66,680)	(81,112)	(100,167)	(97,378)
Operating income	273,562	298,240	304,760	326,571	359,129	430,786
Cumulative breakeven position as a percentage of operating income	(10.8%)	(14.5%)	(21.9%)	(24.8%)	(27.9%)	(22.6%)

Note 38 Adjusted Financial Performance

Adjusted financial performance (control total basis):	2020/21 £000	2019/20 £000
Surplus / (deficit) for the period	(859)	(22,270)
Remove net impairments not scoring to the Departmental expenditure limit	2,700	2,949
Remove (gains) / losses on transfers by absorption	0	0
Remove I&E impact of capital grants and donations	(402)	266
Prior period adjustments	0	0
Remove non-cash element of on-SoFP pension costs	0	0
Remove 2018/19 post audit PSF reallocation (2019/20 only)	0	(421)
Remove net impact of inventories received from DHSC group bodies for COVID response	(301)	0
Adjusted financial performance surplus / (deficit)	**1,138**	**(19,476)**

The increase in impairment of £2,700k relates to a revaluation exercise applied to the Trust's building as at 31 March 2021 and is excluded from retained deficit and statutory breakeven in accordance with the DHSC Group Accounting Manual (GAM), note 16 refers.

Donated asset adjustment of £402k (consisting of £411k donated depreciation less £813k donated additions) is excluded from retained surplus and statutory breakeven duty in accordance with the DHSC Group Accounting Manual.

NHS

Northampton General Hospital

NHS Trust

Proud to be a part of

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NHS Group

August 2021