



**Wirral University
Teaching Hospital**
NHS Foundation Trust

2023/24

Annual Report and Accounts

**Wirral University Teaching Hospital NHS Foundation Trust
Annual Report and Accounts 2023/24**

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the National Health Service Act 2006**

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Message from the Chairman and Chief Executive

We are pleased to introduce this year's annual report and accounts after another successful year at the Trust. Our three hospitals – Arrowe Park, Clatterbridge and The Wirral Women and Children's Hospitals, plus our associated clinics, laboratory and other services, continued to provide outstanding care to the people of the Wirral.

We also wish to record our sincere thanks to our staff, patients and families, volunteers, our partners in the Wirral healthcare system, Wirral Borough Council and Wirral residents, who we are privileged to serve.

We are pleased to chart significant progress in this report, at the half way point in delivering our ambitious long-term strategy.

During this year, we marked the 75th anniversary of the NHS, an occasion for staff and the community to celebrate the past, present and future of Wirral University Teaching Hospital NHS Foundation Trust (WUTH). It was a year of consolidating gains and major performance improvements for the Trust, as we began to see the results of our investments in new buildings, diagnostics' capability, new ward environments, dedicated elective surgery capacity in the Cheshire and Merseyside Surgical Centre at Clatterbridge and new technology such as robotic surgery.

We continue to focus on reducing our waiting times and investing in much needed treatment for serious conditions like cancer and heart disease. Although there were some challenges brought about by national industrial action, we have made real progress towards our strategic goals of becoming a well-led and outstanding organisation, dedicated to patient care.

We look back with pride on huge progress, and our staff's achievements this past year – notably the CQC's inspection of our Maternity Services, resulting in a rating of 'Good, with areas of Outstanding Practice'.

We opened the second of the operating theatre complexes at our £30m Cheshire and Merseyside Surgical Centre at Clatterbridge, with its innovative design and modular construction allowing for rapid commissioning to bring forward the benefits of faster access to treatment. The Centre also achieved the coveted NHS England 'Getting it Right First Time (GIRFT) accreditation for surgery, as well as being part of the winning team in the nationally acclaimed Health Service Journal (HSJ) Awards for 'Provider Collaboration of the Year'.

We recently welcomed the 100,000th patient at the Clatterbridge Diagnostics Centre, with plans already advanced to add a second community diagnostics hub to our portfolio, accelerating access to vital scans and tests to speed up cancer treatments, such as prostate cancer.

Another much praised project, which opened this year and garnered national awards nominations in the HSJ and Nursing Times, is the innovative adult sensory suite in our Surgical Elective Admissions Lounge (SEAL), at Arrowe Park. The facility is designed to create a calming environment for patients with special needs, prior to surgery. It is a great example of WUTH innovation, led by multi-disciplinary teams of staff and designed to improve patient experience. It has attracted interest from other Trusts and has transformed the experiences of patients with additional needs, undergoing surgery. In year two of our Patient Experience Strategy, we continued to deepen our insight and engagement with patients and patient groups to deliver on our promises for their care and treatment.

A major innovation in the year was the creation of a new Transfer of Care Hub, designed to tackle patient flow and bed occupancy in the hospitals, one of the most pressing issues in the NHS, which affects the whole organisation and impacts on the 'front door' capacity in the Emergency Department. Since the hub was set up in July 2023, the number of people in hospital beds waiting to go home or into community care placements has more than halved, releasing valuable bed capacity to treat patients who really need an acute hospital bed.

The improvements happened because WUTH was able to bring focus and closer partnership working with health and social care providers. This has helped to free up around 150 more beds at the Trust's Arrowe Park and Clatterbridge Hospitals. The hub enables our multidisciplinary teams to find the best and quickest discharge options for patients who are medically fit enough to leave the hospital, by collaborating with other teams across the NHS, social care, housing and voluntary services in Wirral.

Construction is also now well underway for our major capital project for a new urgent and emergency care facility at Arrowe Park Hospital, which will transform urgent and emergency care on Wirral, as well as providing a vastly improved environment for patients, staff and partners like North West Ambulance Service.

As a teaching and research hospital, we are also building our reputation for research and training.

Our Research Strategy goes from strength to strength and we were delighted to win a North West Coast Research and Innovation Award for 'Research Collaboration of the Year' with primary care partner, Marine Lake Medical Practice.

We invested in our staff, leaders and managers with a unique and innovative programme 'Leadership for All', celebrating the leader in everyone. We held our second leadership conference in Autumn 2023, with excellent feedback from delegates. We continue to make progress in improving the experiences of all our staff by delivering ambitious programmes of work in our People Strategy. And we ended the year with our staff 'Together Awards' – an amazing array of excellent work showing dedication, innovation, talent, resourcefulness and commitment to outstanding patient care.

Thank you to all our staff, patients, stakeholders and partners for contributing to the achievements in this report. We are grateful for your continued support.

Handwritten signature of Sir David Henshaw in blue ink.

Sir David Henshaw
Chair

Handwritten signature of Janelle Holmes in black ink.

Janelle Holmes
Chief Executive Officer

Overview of Performance – 2023/24

This section provides an overview of the Trust. It sets out the purpose and key activities of the Trust. We also use this opportunity to highlight some key achievements and recognition over the past year including a summary of the Trust's key performance figures and what we delivered in 2023/24.

The purpose of the Trust and its key activities

The Trust is one of the largest employers in Wirral. It was formed under the provisions of the Health and Social Care (Community Care and Standards) Act 2003 (consolidated in the National Health Service Act 2006). The Trust received its Terms of Authorisation on 1st July 2007 which were superseded by a Licence from the regulator in April 2013.

The status of Foundation Trust (FT) enables us to:

- provide and develop healthcare according to the core NHS principles of free care based on need and not ability to pay
- have greater freedom to decide our own strategy and the way we run our services
- retain any financial surplus at the end of the year to reinvest in services and care provision.

We are accountable to our local community through our public members and governors, to commissioners through contracts, to NHS England and to Parliament. Our workforce of over 6,000 staff serves a population of approximately 400,000 people across Wirral, Ellesmere Port, Neston, North Wales and the wider north-west.

The Trust operates from two main sites:

- Arrowe Park Hospital, Upton – delivering a full range of emergency (adults and children) and acute services for adults in the main hospital building. The Wirral Women's and Children's Hospital provides maternity, neonatal, gynaecology, children's inpatient, day case and outpatient units.
- Clatterbridge Hospital, Bebington – undertaking planned surgical services, dermatology services, breast care, specialist stroke and neuro rehabilitation services. The Clatterbridge Diagnostics Centre continues to support reducing waiting lists and increasing capacity for earlier diagnostics and recently welcomed its 100,000th patient since opening. In addition, the development of the Cheshire and Mersey Surgical Centre provides increased theatre throughput without compromising clinical quality and care, shortening the waiting lists which now are amongst the lowest in the region.

Outpatient services are also provided from community locations including:

- St Catherine's Health Centre, Birkenhead – providing x-ray, community paediatric services, paediatric audiology and a range of outpatient clinics.
- Victoria Central Health Centre, Wallasey – providing x-ray, some outpatient services and antenatal clinic.
- GP practices, schools and children's centres.

Our full range of services include:

- accident & emergency services for adults and children
- a diverse range of acute and non-acute specialties

- outpatient services
- day surgery services
- maternity including a midwifery led unit
- diagnostic and clinical support services
- specialist services including:
 - renal medicine
 - dermatology
 - orthopaedics (hip & knee revisions)
 - ophthalmology (retinal)
 - urology (cancer centre)
 - stroke (hyper-acute unit)
 - gynaecology (advanced laparoscopic endometriosis centre)
 - neonatal level 3 unit and
 - Ronald McDonald House: charity home providing accommodation for parents of sick children and premature babies.

Clinical work is complemented and supported by a comprehensive range of corporate services, which include, amongst others:

- quality and safety
- corporate nursing and midwifery
- operations and performance
- strategy and partnerships
- finance and procurement
- human resources and organisational development
- information and IT services
- facilities and estates management.

In 2023/24 the Trust undertook the following activity:

Annual Report Figures

	23/24
Total Births	2,853
New Outpatient Attendances	146,636
Follow Up Outpatient Attendances	370,074
Diagnostic Orders	392,687
Diagnostic examinations performed	349,743
A&E Attendances	96,611
Emergency Admissions*	51,696
Elective Day Case Admissions**	49,365
Elective Planned Admissions	7,971

*Including maternity emergencies but excluding births

**Excluding Nephrology

2023-24 Achievements and Highlights

The Trust achieved recognition for its services during the year 2023-24 and made important progress towards achieving its strategic objectives.

In 2023, the Trust marked the 75th anniversary of the NHS during which staff and the community had the opportunity to celebrate the past, present and future of Wirral University Teaching Hospital. As part of the celebrations Liverpool FC legends paid a visit to Arrowe Park as a special thank you to staff for their services to the NHS. An RHS Tatton Show award winning garden was also donated to WUTH Charity and planted at the Clatterbridge Hospital site as part of the celebration. A commemorative edition of the In Touch staff magazine was produced by the Trust to mark the special year.

The Trust continued to provide an excellent service for patients and families. Following a Care Quality Commission (CQC) inspection, Maternity Services at the Trust were rated as 'Good, with areas of Outstanding Practice'. The report reflected the hard work and dedication of staff. Among the positive findings of the report were that staff feel well supported, there is a clear and visible leadership as well as a positive culture, and care is individualised, compassionate and personalised.

Reflecting the Trust's commitment to providing the best care for newborn babies, we received 'green' level accreditation from FiCare (Family Integrated Care) under a Northwest FiCare accreditation scheme. FiCare helps parents to understand that they are vital parts of their baby's healthcare. Northwest Neonatal Operational Delivery Network (NWODN) introduced the network FiCare approach in 2018 to ensure consistency for families in the Northwest. The accreditation process provides assurance that FiCare is embedded in everyday practice within the neonatal service and is offered to every family, every time.

Quality patient care

The development of the new Urgent and Emergency Care facility at Arrowe Park Hospital is now well underway. The external building has been constructed and the interior is now being developed. This major capital project will transform urgent and emergency care on Wirral. It will provide a vastly improved environment for patients, staff and partners including North West Ambulance Service.

Phase two of the state-of-the-art Cheshire and Merseyside Surgical Centre opened at Clatterbridge Hospital in Autumn 2023 having treated 3,000 patients in its first year. The innovative development has been created through national NHS funding and saw four theatres created over both phases, which were constructed as modular buildings to reduce construction time. A new Da Vinci robot has also been installed at the surgical centre, allowing more elective patients to be treated, including those with cancer, with the aim of reducing waiting times.

The centre is accredited as a national elective surgical hub delivering high standards in clinical and operational practice. It has achieved the NHS England's Getting It Right First Time (GIRFT) accreditation which assesses surgery hubs against a framework of high standards to help hubs deliver faster access to some of the most common surgical procedures, such as hernia surgery and hip replacements.

The Trust was one of the first in the North West to successfully re-accredit with the prestigious Anaesthesia Clinical Services Accreditation (ACSA). ACSA is a voluntary scheme run by the Royal College of Anaesthetists. Anaesthetic departments must provide evidence of continuous quality improvement and service development in order to maintain their accreditation status. The ACSA standards have been created to ensure high quality patient care, whether it means, for example, that the patient has an appropriate pre-operative assessment before surgery, that information provided to them is clear and accessible, or that there are robust systems in place to ensure their safety.

Underscoring our Trust's commitment to providing high quality endoscopy services, the Endoscopy Team once again achieved Joint Advisory Group (JAG) accreditation. This is a full service review that takes place every five years, and the accreditation from the Royal College of Physicians is given for the provision of exceptional patient care.

A new app, the "Patient Portal" was launched at the Trust in March 2024 to give patients better access to their health information. Patients with upcoming appointments at the Trust were invited to join the portal and this allows them to access a range of information such as their health records, test results, educational resources, outpatient letters and appointments.

Transfer of Care (Discharge) Hub

The Transfer of Care (Discharge) Hub was a major innovation that was set up in July 2023 to ensure patients who no longer require a hospital bed are discharged home or to the most appropriate setting. Created to improve patient flow, it has dramatically reduced the number of patients in hospital who do not meet the criteria to reside. It has released valuable bed capacity to enable us to treat patients who really need an acute hospital bed.

The hub enables our multidisciplinary teams to find the best and quickest discharge options for patients who are medically fit enough to leave the hospital by working with other teams across the NHS, social care, housing and voluntary services in Wirral.

Research and innovation

The Trust won a North-West Coast Research and Innovation Award with primary care partner Marine Lake Medical Practice. This was in the 'Research Collaboration of the Year' category for the HARMONIE Respiratory Syncytial Virus (RSV) Vaccine Study. This highlights not only the dedication to innovation and research but also the strong partnership work across the Wirral health system.

An innovative project helping adults with autism and additional needs who are undergoing elective surgery resulted in the Trust becoming finalists in the HSJ Patient Safety Awards and also the Nursing Times Awards in 2023. This was for the Supporting Treatment in Additional-needs Requirements (STAR) Project which saw the development of a sensory suite at Arrowe Park Hospital.

The sensory suite was the first of its kind in the North West of England to be set up specifically for adult patients with autism and additional needs. It is a great example of WUTH innovation, led by multi-disciplinary teams of staff and designed to create a calm environment to improve patient experience.

Cancer awareness

A very special exhibition was held at Arrowe Park Hospital in 2023 showcasing the artwork of Professor of Art, the late John Hyatt. John was a cancer patient who created the art as a way of coping with his condition. The Trust helped him fulfil his dream of holding an exhibition to help other patients who are diagnosed with cancer to process their emotions. In March 2024, a cancer experiences event was also held at Arrowe Park Hospital in John's memory. This was the Trust's first collaborative event for health professionals, trainees, patients and carers. It highlighted research and patients' experiences of cancer, and was hosted with Liverpool John Moores University Cancer Special Interest Group and North West Cancer Research.

WUTH Charity

The charity held a Tour de Wards cycle challenge at the entrance of Arrowe Park Hospital and the event was launched by boxing legend and TV star Tony Bellew. Staff and members of the public signed up to the event to raise funds for WUTH Charity's Tiny Stars Neonatal Appeal.

A Wirral Winter Ball was held once again in aid of the Tiny Stars Neonatal Appeal which was a hugely successful night with phenomenal support from all those who attended.

Staff Support

Staff recognition continued to be an important focus of the year as part of the People Strategy. The Trust's staff awards in 2024 were held for the very first time as a Spring event and at a new venue, in the historic location of Chester Racecourse. There were more award categories this year celebrating clinical excellence, quality patient care, innovation and outstanding work of our staff. There were hundreds of nominations for the awards which celebrated the contribution of teams, individual staff and volunteers. Members of the public were also nominated for the prestigious 'Patient Choice' award which resulted in three winners for the first time ever, due to the exceptionally high standard of entries this year.

We continued to invest in our leaders with the Leadership Qualities Framework and the second Leadership for All Conference was held with positive feedback from attendees. There were also a

range of Leadership Masterclasses and a structured programme of training and development to develop the leader in all our staff.

In partnership with Wirral Met College, the Trust also successfully held an innovative scheme, creating 100 apprenticeships in 100 days. This was set up to help individuals in the local community access career progression while supporting employers with employee development and recruitment to facilitate company growth. Small to medium sized employers across Wirral and the wider Liverpool City Region gained much needed financial support for the recruitment. The scheme also provided training and development for existing Trust employees to support their progression within the organisation.

Summary of principal risks

Key risks to the delivery of the Trust's objectives and the associated controls are set out in our board assurance framework (BAF). All risks entered onto the BAF are subject to a robust process of review and scrutiny. The principal risks that have been assigned to the Trust's strategic objectives for 2021/26 were approved by the Board of Directors in September 2021. A refresh of the BAF was approved by the Board in April 2023. The risks in the BAF are summarised below:

- Failure to effectively manage demand, both unscheduled and scheduled, and meet constitutional standards which will adversely impact quality of care and patient experience.
- Failure to meet constitutional/regulatory targets and standards, resulting in an adverse impact on patient experience and quality of care.
- Failure to ensure adequate quality of care, safety and patient experience resulting in adverse patient outcomes and an increase in patient complaints.
- Failure to effectively plan for, recruit, reduce absence of, retain and develop people with the right skills, this may adversely impact on the Trust's ability to deliver the Trust's strategy.
- Failure of the Trust to have the right culture and organisational conditions/structure to deliver our priorities for our patients and service users.
- Failure to maintain our positive staff experience will adversely impact on staff motivation, engagement and satisfaction.
- Failure to embed the Trust's approach to value and financial sustainability and Planning may impact on the achievement of the Trust's financial, service delivery and operational plans.
- Failure to deliver sustainable efficiency gains due to an inability to embed service transformation and change.
- Failure to have strong leadership and governance systems in place.
- Failure to achieve strategic goals due to the absence of effective partnership working resulting in possible harm to patients, poor experience, damaged external relations,

failure to deliver the transformation programme and a long term threat to service sustainability.

- Failure to robustly implement and embed infrastructure plans including digital and estates will adversely impact on our service quality and delivery, patient care and carer experience.
- Risk of business continuity in the provision of clinical services due to a critical infrastructure or supply chain failure therefore impacting on the quality of patient care.

The BAF Risks are subject to regular updates and considered at all assurance fora across the Trust. Throughout this period there has been a constant pressure on risks relating to elective and non-elective patient care and treatment where significant mitigation and planning has been undertaken. We have seen a reduction in risk scores in relation to the People Strategy following significant work to improve and enhance processes and staff wellbeing. The Trust continues to highlight and manage risk in relation to its infrastructure and IT requirements. Further detail on the risks, how they are mitigated, and any changes in the risk scoring can be found in our Board of Directors' meetings where the BAF is considered.

Operational and clinical risks are identified, managed and monitored in accordance with our risk management policy. Details of the key risks are referenced within the performance analysis section and the annual governance statement.

Strategy

WUTH Strategic Framework

In 2020-21, Our Strategy 2021-26 was launched following engagement with over 2500 members of staff, patients, and visitors. This strategy sets out our strategic direction during this five-year period and introduced our vision, values, and strategic objectives.

Our vision is clear and ambitious, shaping our future and responding to the challenges we face, as displayed below with our four Trust values which are expected of us all:

together
we will

...deliver the best quality and safest
care to the communities we serve

caring
for everyone

respect
for all

embracing
teamwork

committed to
improvement

Underpinning our vision and values are six strategic objectives, each with a set of priorities which set out our ambitions and detail the ways in which we will improve the delivery and quality of care,

support our workforce, and embed a culture of improvement across the organisation. Our strategic objectives are incorporated into all aspects of planning across the Trust to ensure that all efforts for improvement are aligned to our strategic direction. These objectives are:



Enabling strategies

Following the successful launch of Our 2021-2026 Strategy, the delivery of this is observed through our eight enabling strategies. These strategies provide more detailed objectives and priorities across the different areas of the Trust, including specific objectives and priorities for each of our 32 clinical services through our Clinical Service Strategy which is now reaching the midpoint of delivery. In recognition of this, each of the 32 clinical services are reviewing their progress in the delivery of their clinical strategy to provide updated plans on the delivery of remaining priorities. The development of our enabling strategies culminated in 2022-23 with the launch of the Financial Strategy, and the suite of eight enabling strategies is complete as displayed below:



Annual Strategic Priorities

The delivery of each strategy is planned and measured through the Annual Strategic Priority cycle. At the beginning of each year, the clinical divisions, enabling strategy leads and the executive leadership team set out their priorities for the year. These are presented at our Bi-Annual Strategic Priority Event. We then hold a mid-year review, allowing leads to update on their progress for the year to date. In 2023-24, all enabling strategy leads were also invited to take part in this process, delivered in a marketplace style in the Education Centre to provide updates on the delivery of each strategy. This will be carried through to the 2024-25 Bi-Annual Events providing an opportunity to network and engage in the delivery of our priorities.

Integrated Care Systems and partnership working

Throughout 2023/24, the Trust continued to work in partnership with Wirral Place and the Cheshire and Merseyside Integrated Care Board. We actively supported the implementation of the Wirral Health and Care Plan, with a focus on key initiatives such as unscheduled care, primary and community care, children and young people, mental health, and learning and autism services. Additionally, we contributed to enabling and guiding programmes, and our executive team led several professional networks.

In order to further embed best practice in our work in the system and at place the Trust has also actively taken a role in key programme activity including establishing the Place Governance processes, future estate and people work streams.

Moreover, the Trust was actively involved in the Cheshire and Merseyside Acute and Specialist Trust (CMAST) Provider Collaborative, making significant progress across various programmes throughout the year.

The Trust has also worked closely with other local providers to identify and develop opportunities for future collaboration. This has included the creation of proposals and the establishment of joint fora to manage this engagement.

Urgent and Emergency Care at Arrowe Park Hospital- upgrade programme

The Trust is excited to unveil the progress achieved through our Urgent and Emergency Care Upgrade Programme (UECUP). This collaborative effort, involving NHS England and Wirral Community Health and Care NHS Foundation Trust (WCHC) and Cheshire and Merseyside ICB colleagues aims to transform urgent and emergency care services at Arrowe Park Hospital.

The positive impact will benefit our patients, their families and carers and dedicated staff members within the Wirral community.

Launched in July 2020, following national capital funding and local capital commitments our project team, in conjunction with our clinical and operational teams have meticulously developed a new, revised clinical model and business case. These efforts directly address the fundamental challenges faced by today's emergency services. Extensive engagement with the community and staff has been pivotal, with their valuable feedback and suggestions shaping the final designs.

Over the past two years, significant milestones have been achieved, including securing funds, obtaining planning permission, and initiating construction. Currently in phase 2 of the 4 construction phases, the project is expanding the new facility to the forefront of the hospital. We anticipate overall completion in autumn time of 2025, with the following key milestones earmarked for 2024: finalisation of Resus, Staff rooms, PAU, Ambulance drop-off, Paediatrics, Minors and Waiting Area. In addition, works will commence on the Majors and UTC parts of the overall programme.

The project's core features include:

- An approximate 1,050 sqm extension to the existing building, incorporating a 2500sqm refurbishment of the existing foot print, complete with two new entrances for patients and staff;
- A dedicated ambulance entrance and increased bays to meet the growing demand for ambulance services and ensure patient dignity;
- The refurbishment and enhancement of the Emergency Department and Urgent Treatment Centre, creating a modern facility offering a comprehensive range of services;
- The establishment of a 24/7 Children's Emergency Department, catering to urgent children and young people care needs; and
- The integration of new and up to date, technology, and equipment.

Financial overview 2023/24

All statutory financial duties have been achieved with the exception, due to the impact of Industrial Action, of the planned Income and Expenditure position. The actual I&E position was an adverse variance to plan of £4.8m as a result of additional expenditure incurred in maintaining patient safety during Industrial Action and reduced income during these same periods.

The Trust managed agency expenditure within national target levels; invested over £30m of capital into our estate and equipment whilst maintaining a positive cash balance of £10.6m. The Trust's cost improvement programme (CIP) achieved its financial efficiency target of £26.2m which is more than double the highest level of CIP delivered in any year since our formation. These efficiencies were achieved through improvement projects that focused on improving patient care. For example working with partners to improve processes so that, having completed their treatment, patients are able to return home more quickly.

The Trust has reported a year-end deficit of £34.5m which includes the impact of impairments to capital assets. NHSE monitoring of financial performance excludes the impact of impairments, and

other financial elements. With these removed, the Trust's adjusted operational deficit was £23.7m against a planned operational deficit of £18.9m.

Performance Analysis

There are key performance measures the Trust is legally obliged to report upon. Performance is managed through the Trust's operational management arrangements with assurance provided to the Board through its committees and the Trust Management Board. Exception reporting is required where the Trust is not meeting specific KPIs or outcomes. The Trust performance in relation to the operational statutory indicators is shown below by quarter:

National targets and regulatory requirements	Target	Q1	Q2	Q3	Q4
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Minimum 93%	86.9%	90.4%	85.1%	81.4%
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Minimum 96%	95.2%	94.4%	90.6%	92.2%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Minimum 85%	71.7%	73.6%	71.8%	73.7%
Referral to treatment time – incomplete pathways < 18 weeks	Minimum 92%	59.34%	56.68%	55.25%	58.19%
Referral to treatment time – incomplete pathways: total waiting	Maximum 36,926 by March 2024	40,487	44,147	41,677	43,883
Referral to treatment time – incomplete pathways: >= 52 weeks	Maximum 1,030 by March 2024	1,522	1,781	2,029	2,065
Referral to treatment time – incomplete pathways: >= 78 weeks	Maintain at zero (excluding patient choice)	20	4	5	3
Referral to treatment time – incomplete pathways: >= 104 weeks	Maintain at zero (excluding patient choice)	0	0	0	0
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	Minimum 95%	63.20%	61.73%	61.41%	61.74%

Urgent and emergency care

As seen nationally, the Trust continues to see an increase in urgent and emergency demand along with high acuity. For 2023/24, demand for urgent care remains high, exceeding the number of attendances in 2022/23 by 3%. Although the number of patients in acute beds who no longer require acute care remains high, the Trust has seen a significant reduction by working with system partners through the implementation of the Transfer of Care Hub, increasing capacity in the domiciliary care market and expanding the Home First Service.

In line with the ongoing pressures mentioned above, meeting the 4 hour maximum waiting time continues to be a challenge. Clinical and operational teams across the system are focusing on improving access to services outside of A&E to avoid admissions to A&E or admissions by ambulance. This should reduce congestion in A&E and reduce A&E waiting times. The Trust continues to work

closely with ambulance service colleagues to ensure safe and rapid handover into the care of the Trust so that ambulance crews can get back on the road to respond to calls in the community. Improvement work during the 2023/24 with ambulance services has resulted in a significant improvement, reducing handover delays.

Access to elective care

The recovery of elective services has continued since the national programme commenced in July 2020. Regular reports to the Board of Directors covering all aspects of elective care continue and there is full visibility of the volume of patients waiting at every point of care. There was focus on increasing activity levels during 2023/24 and this remains a priority into 2024/25 to further reduce backlogs and waiting times to pre-pandemic levels. With this, the Trust has set ambitious activity plans for 2024/25 to increase the number of patients treated across all elective pathways and this includes full utilisation of the newly created Cheshire and Merseyside Surgical Hub at Clatterbridge, developed with national monies to improve access to elective care. Patients are prioritised in line with the nationally mandated clinical prioritisation of patients, with a focus on those prioritised as clinically urgent and very long waiters irrespective of their priority status. The Trust has proactively provided mutual aid to hospitals across Cheshire and Merseyside transferring patients to the new Surgical Centre where waiting times are shorter.

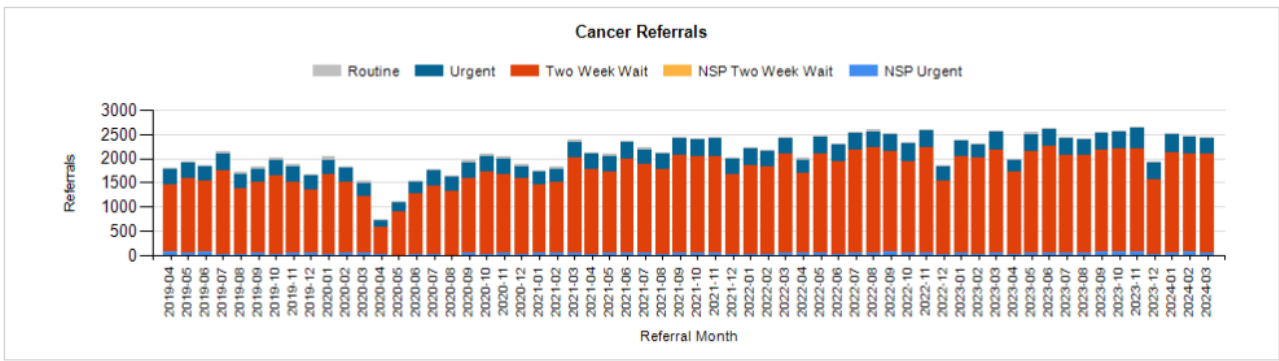
To deliver this the Trust has:

- Established a Theatre Improvement Programme, focusing on improved theatre list utilisation and maximising the use of our theatre estate.
- Continued progression on the Outpatients Transformation Programme with a focus on patient initiated follow ups, advice and guidance services, reduction of DNA rates, remote surveillance and clinic utilisation.
- Adapted and embedded digital solutions to improve communication around patient care, drive efficiency and reduce waste, with a focus on the launch of our new patient portal.

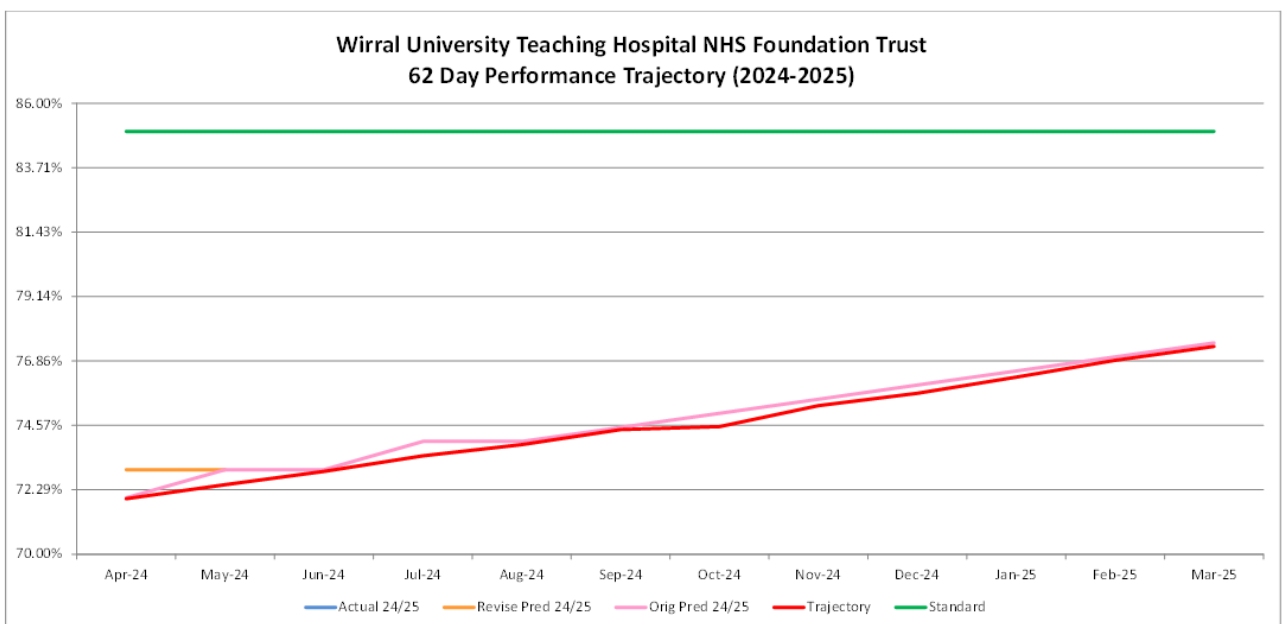
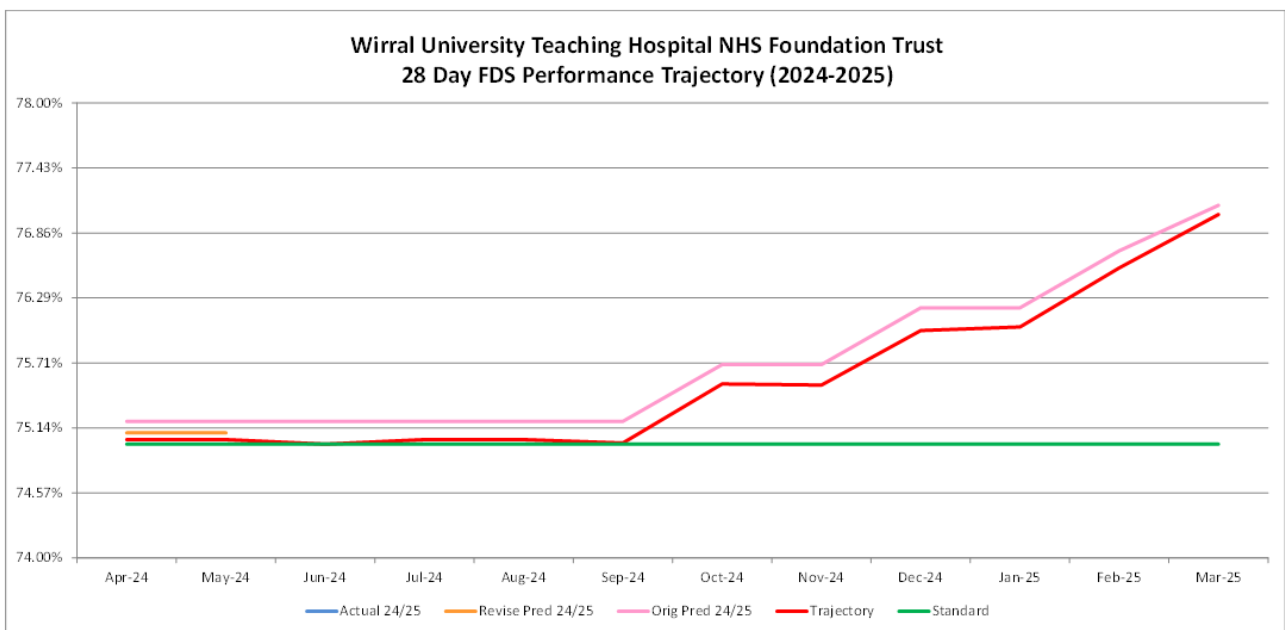
Access to cancer care

Focus on the pre-pandemic landscape for cancer has returned, namely; early diagnosis, best practice timed pathways (BPTP) and risk stratified pathways promoting self-supportive management.

Over the last few years, cancer two week referrals have increased by 33% on pre-pandemic volumes given the delays that patients experienced during the pandemic:



The trust has an NHSE submitted trajectory for 24/25 (as part of operational planning guidance) to achieve for the 28 day target and the 62 day combined target which sets out month by month the expected level of performance.



Both NHSE trajectories are ambitious with the trust looking to make progress toward the 28 day target increasing to 80% for 25/26, faster diagnosis programme and rapid diagnostic service project to support early diagnosis and recovery towards the 62 day target threshold.

Financial overview 2023/24

The Trust faced significant operational challenges in 2023/24 and this had a direct impact upon our financial performance and overall financial position. The Trust experienced significant levels of industrial action, resulting in additional costs and reduced elective activity and income in line with all healthcare organisations. The Trust did have success in reducing record occupancy levels, with an average reduction of almost 100 patients that did not meet the criteria to reside in hospital.

The Trust did achieve its very ambitious CIP target for the year of £26.2m, more than double the highest level of CIP delivered by the Trust in its history.

Overall, we are reporting a year-end operational deficit of £23.7m and ended 2023/24 with a cash balance of £10.6m.

The following commentary provides more detail on the Trust's key financial results, which are formally reported in the Trust's annual accounts.

Report of the Chief Finance Officer

As stated previously, 2023/24 was a challenging year, including for financial performance. However despite the operational deficit, the narrative below confirms that the Trust has continued to deliver efficiency savings, invest in equipment and infrastructure, maintain a positive cash balance and pay suppliers in a timely manner.

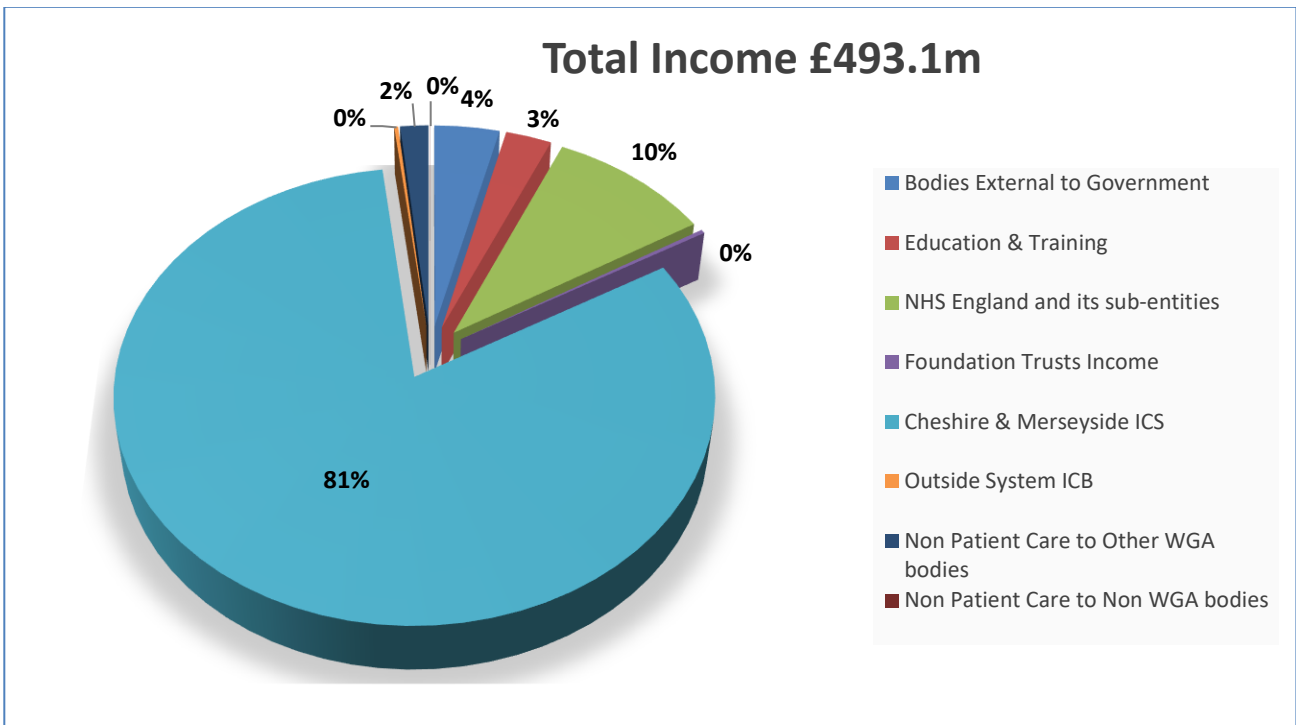
Income

The Trust has generated operating income and gains of £493.1m in the year.

NHS income in respect of patient care, at £455.9m, was the largest aspect of income in 2023/24. The Trust is part of the Cheshire and Merseyside ICS from which it receives Aligned Payment and Incentive/system block income. This totalled £401.1m.

Other income in year includes £13.5m in respect of education and training, £20.5m in respect of charges to other bodies and £3.1m in respect of staff recharges.

The chart below depicts the Trust's total income and gains for 2023/24, split by customer or commissioner type:



The Trust has met the requirements of section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), in that the income from the provision of goods and services for the purposes of the health service in England (principal) has exceeded income from the provision of goods and services for any other purposes (non-principal). Non-principal income is used to provide additional funding for the Trust. It is directly reinvested in the delivery of high-quality NHS services.

Expenditure

Total expenditure incurred by the Trust during 2023/24 was £527.6m (£499.7M 2022/23), which is an increase of £27.9m or 5.5% from the previous year.

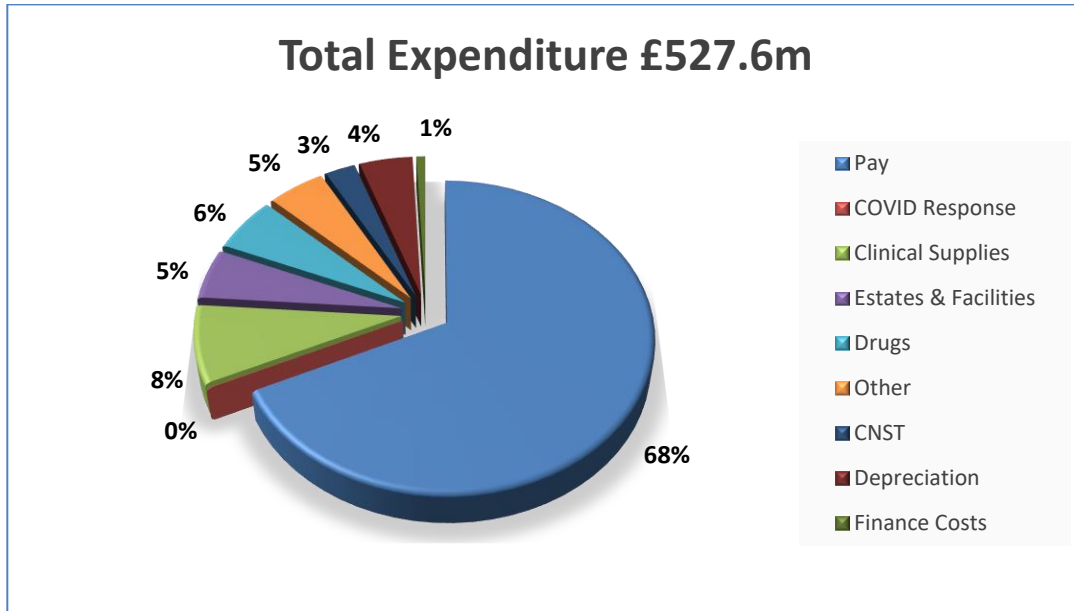
Pay is the largest expenditure category at £357m which is 67.6% of the Trust's total expenditure. Within this pay figure, the amount spent on substantive staff was £302.9m, with £30.5m on bank staff and a further £10.3m on agency staff. Including bank and agency staff, the Trust spent £79.3m on medical staff and £85.2m on qualified nursing.

Non-pay and financing costs (£170.6m) represent 32.4% of the Trust's expenditure. Some notable expenditure items in 2023/24 are as follows.

- £42.8m on clinical supplies
- £29.9m on drugs
- £25.5m on premises
- £13.8m for the Trust's clinical negligence insurance (CNST) premium
- £4m on finance costs, including PDC dividend to DHSC.

Depreciation and amortisation of £13.7m is included in the overall expenditure figure. This is a non-cash item, which is charged annually to reflect the usage and consumption of capital assets which were purchased in 2023/24 and previous years.

The Chart below depicts the main categories within total reported expenditure for 2023/24. “Other” includes premises, training, leasing and IT-related costs.



Capital investment

Capital expenditure for the year totalled £30.9m which included £15.1m of PDC funded assets. All this expenditure underpins safety management, patient experience, service delivery and the achievement of efficiencies in the medium and long-term.

The Trust’s capital schemes for 2023/24 were as follows:

- £26.5m Improvements to the Trust’s built estate.
- £4.2m Medical equipment.
- £0.2m Information technology improvement schemes.

Cash & Better Payment Practice Code (BPPC)

The cash balance held at 31 March 2024 was £10.6m. Although higher than originally planned, this is a significant reduction from 31 March 2023 (£24.3m).

The Trust paid 92.3% (by number) and 95.1% (by value) of invoices received against a national standard of 95.0%. A more detailed analysis between NHS and Non-NHS organisations is shown within the Directors’ report.

Cost improvement plans (CIPs)

The CIP requirement is a national Department of Health & Social Care strategy requiring all NHS organisations to seek to improve productivity whilst maintaining high quality standards.

The Trust had a target of £26.2m and delivered this CIP in 23/24. £25.0m was delivered recurrently and £1.2m non-recurrently.

There were notable successes in the period in respect of schemes delivered under the Waste Activity Value Efficiency (WAVE) programme that encompassed workstreams that focussed on the delivery improved productivity, utilisation of estate, implementing digital improvements and ensuring our workforce was deployed to meet the demands to services.

Future outlook

The major focus of 2024/25 will be the continued recovery of the Trust's elective programme and delivery of activity levels which achieve maximum capacity and working with our partners in Cheshire and Merseyside to reduce waiting lists across the entire system. The development of the Cheshire and Merseyside Surgical Centre at Clatterbridge will be key to this and to our objective of being a surgical centre of excellence for the region.

Under the leadership of the Chief Operating Officer, the activity plan has been developed in compliance with operational guidance and submitted in line with all external timescales. The financial plan, developed in parallel to activity plans, has been subject to significant challenge internally and extensive scrutiny externally through Cheshire and Merseyside and external regulators. The Trust is planning for a £16.3m deficit but work continues to challenge costs and maximise income.

The plan includes the Trust's CIP target of 5%, all of which is planned to be delivered recurrently. This represents a £28.9m target overall and represents the most risk in respect of delivering the financial plan. At the time of writing £12.890m has been identified to be delivered recurrently in year, with a full year effect of £14.569m. The Trust recognises the need to prioritise identifying the remaining target alongside implementing schemes in place.

Going concern disclosure

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.

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

Quality of service

The following sections provide an overview of delivery against key quality indicators and quality improvement priorities for 2023/24. A Quality Account will be prepared, as required by the Health Act 2009, and published on 30 June 2024.

Care Quality Commission

The Trust’s last comprehensive CQC inspection took place in October 2019, however focused inspections looking at part of the Trust have occurred; in 2021 Urgent and Emergency Care and Medical Services, in 2023 Maternity Services and 2024 Urgent and Emergency Care. The Trust has received reports following the focused inspections in 2021 and 2023, however the recent inspection in 2024 has not yet been published.

The Trust Wide ratings have not changed as a result of the focused inspections, however Medical Services have seen an improvement in rating to Good following the 2021 focused inspection. Urgent and Emergency Care maintained the rating of Requires Improvement following the 2021 focused inspection and Maternity also maintained the rating of Good following the 2023 focused inspection.

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires improvement →← Jan 2020	Requires improvement →← Jan 2020	Good →← Jan 2020	Requires improvement →← Jan 2020	Requires improvement ↑ Jan 2020	Requires improvement →← Jan 2020

Following previous inspections improvement action plans have been developed and most actions have now been completed. The remaining actions are reviewed regularly through assurance meetings with divisional leads and reported to the Trust Patient Safety and Quality Board.

The Trust continues to work with the identified CQC relationship manager and provides additional assurance for organisational progress. The meetings with the relationship manager have identified low levels of concerns escalated to CQC in relation the Trust and all concerns are investigated and responded to, to ensure learning and assurance.

Health Inequalities

The Trust is involved in several initiatives and programmes across Cheshire and Merseyside, as well as at Wirral Place, as part of its duty to discharge its functions relating to health inequalities. These include: CORE20PLUS5, adoption of the Prevention Pledge, Fair Employment Charter, and the Anchor Institution Framework. Consequently, the Trust has developed a target operating model to address health inequalities. This model outlines the initiatives the Trust is involved in to tackle health inequalities, along with the adoption of tools and techniques for implementation. The Trust is collaborating closely with Place Partners to enhance its role in addressing Health Inequality.

All deaths in patients with a learning disability undergo a comprehensive mortality review within the Trust Mortality Review Group.

Furthermore, the Trust has considered the guidance on health inequalities published by NHS England, which encompasses the five priorities outlined in the 2021/22 priorities and operational planning guidance, as well as the document on Tackling Inequalities in Healthcare Access, Experience, and Outcomes. A further document will be produced, as per guidance, demonstrating further health inequalities work.

Infection prevention and control (IPC)

IPC continued to remain a high priority in the Trust with 2023/24 seeing the return of seasonal infections associated with the pre-COVID years. Balancing the risk of infection with increasing operational pressures remained a challenge in managing COVID, Influenza A and Norovirus.

Whilst we have not met the NHS Standard contract 2023/24 quality requirement to minimise the rates of Gram-negative blood stream infections to threshold levels set by NHS England, there is not a statistically significant variance from other providers in the Northwest.

There has been 1 healthcare associated MRSA bacteraemia reported during the year, this is a reduction of 1 compared to the previous year.

Rapid evaluations of care have replaced the traditional root cause analysis resulting in the identification of learning outcomes and areas for improvement with teams and trust wide.

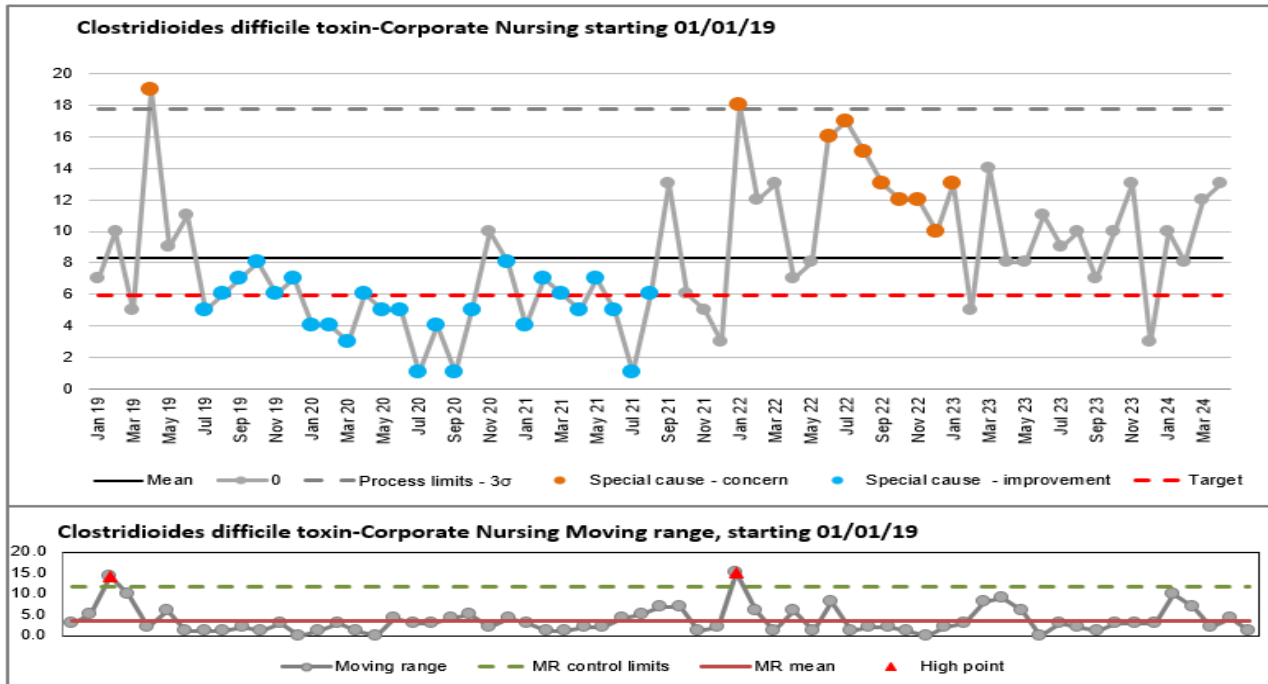
***Clostridioides difficile* (C. diff)**

Whilst we did not meet the threshold identified in the 2023/24 NHS Standard Contract of no more than 71 patients being diagnosed with C.diff we did meet the NHSE ambition of minimising rates of *Clostridioides difficile* infection (*C. difficile*) with a reduction of 33 fewer patients being diagnosed at year end when compared to the same period in 2022/23.

A sudden rise in CDT in the summer months prompted a renewed vigour around CDT prevention strategies and the previously successful IPC 'Keep it simple' campaign was re-launched under the '*It's not difficile*' concept.

This 6-month campaign focused on the 5 key priorities, with a separate theme each month along with weekly communications focusing on the challenges that arose real time. The themes were Cleaning, Environment, Sampling, Bare below the Elbows, and Isolation.

The hard work of the multi-disciplinary teams has contributed to the great improvements seen at the end of Q4 and an overall downward trend can be seen.



Antimicrobial stewardship continues to remain a focus, with a service condition from the NHS Standard Contract 2023/2024 to reduce the consumption of broad spectrum antibiotics, ensure prompt switching of IV to oral antibiotics and reducing the use of IV antibiotics.

Eligible patients receiving venous thromboembolism (VTE) risk assessments

The Department of Health requires quarterly reports regarding eligible adult patients receiving VTE risk assessments during their hospital stay. The compliance target for this measure is +95%. The Trust achieved this target with an outturn position for 2023/24 performance of 98.2% compliance (average compliance over the year).

Indicator	Threshold	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Percentage of adult patients assessed for risk of VTE on admission to hospital	Minimum 95%	98.3%	98.2%	97.9%	98.2%	98.1%	97.6%	98.0%	97.6%	96.6%	98.2%	98.2%	97.9%

The sustained assessment compliance with achievement of the target over several years was very positive with leadership provided by a VTE lead to ensure continued consistency of performance.

CQC national patient experience surveys

Four of the five National Patient Experience surveys were published in 2023/24. Hospitals are provided with comparative results on performance against all other NHS organisations that have taken part in the surveys as well as providing hospitals with a regional performance position. CQC use a banding system of “Better” than other organisations, “About the same as” other organisations or “Worse” than other organisations.

CQC Urgent & Emergency Care - Published July 2023

A total of eight questions were banded as Better, these related to aspects of personalised care, confidence in staff and communication, all other questions were banded as about the same.

Regionally WUTH were identified as the top performing hospital for 5 out of the 9 sections these included, Doctors & Nurses, Care & Treatment, Tests, Leaving A&E and Experience Overall. In addition, WUTH was also highlighted within the top five regional organisations for the Admission to Hospital section.

CQC Adult Inpatient – Published September 2023

WUTH were banded as “Better” for one question which related to the provision of information provided when leaving hospital, all other questions were banded as about the same. Regionally WUTH were also identified as being in the top five regional hospitals in relation to the section on being asked to provide Feedback on the Quality of Care, however WUTH were identified as in the lowest performing hospitals regionally for the section in relation to Admission to Hospital. Patient flow is a key priority objective for WUTH, however it is also acknowledged that those regional organisations identified as the top performing hospitals for this section are specialist organisations focusing on cancer services and cardiology.

CQC Maternity Services – Published February 2024

Three questions were banded as Better, focusing on aspects of additional support such as involving partners and mental health. Two questions were banded as Worse, both of which related to perceptions from patients that midwives and doctors appeared not to be aware of their medical history. In addition, WUTH was identified as within the top five performing organisations regionally for two sections relating to Care in the ward after birth and care at home after birth.

National Cancer Patient Experience Survey - Published July 2023

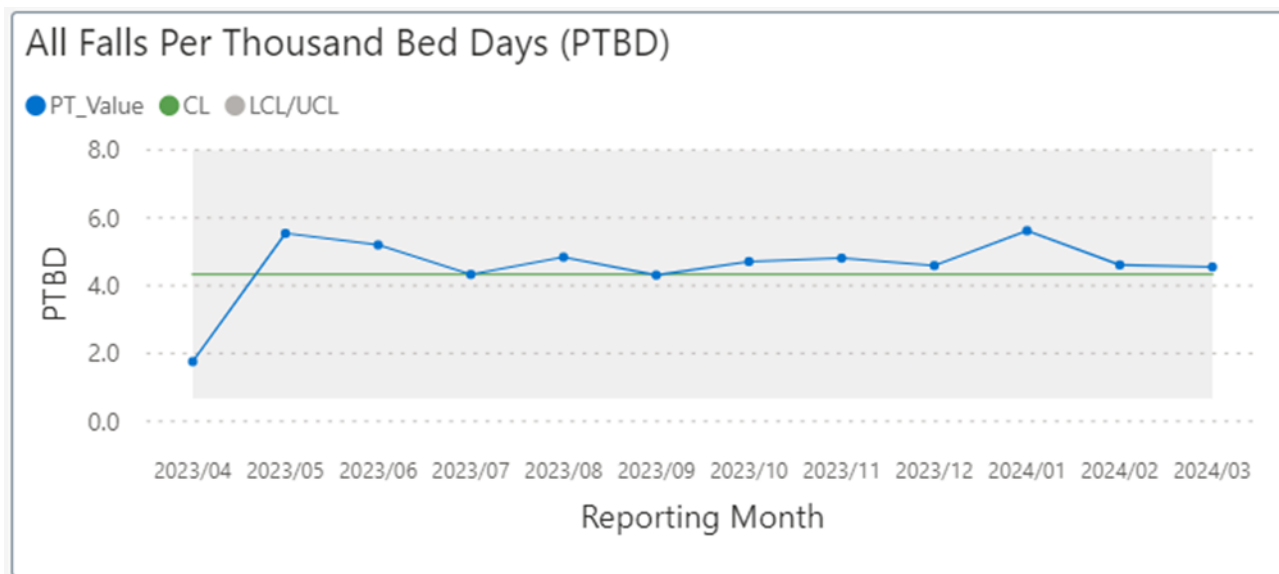
The National Cancer Survey sits outside of the CQC national patient experience survey programme and therefore is not subject to the same banding and statistical weighting. Results for WUTH indicated that there were fourteen areas scoring above the expected range with zero areas scoring below the expected range. Forty five of the sixty questions scored above the national average with a further seven equalling the national average score. The eight remaining questions did not score below the expected range but did score below the national average, some of these questions were related to service not provide by WUTH such as radiotherapy, it is acknowledged that patients who are on a cancer pathway will access cancer specialist service across multiple hospital trusts but may not be aware of the differences between organisations. Action plans are developed at cancer specialism level to ensure that results and actions are reflective of feedback.

Falls

WUTH has continued to roll out the Multidisciplinary approach to stopping preventable falls campaign during 2023/24 FALL: Feet, Assessments, Limitations & Length of stay . This Multidisciplinary approach is echoed within the Trust and Divisional level improvement plans that are monitored via the Falls Steering group.

During 23/24 the Trust trialled new assistive technology to support the management of preventable falls, this pilot conducted on two wards was extremely successful and therefore the Trust have submitted plans to procure 4 devices in 24/25. In addition several areas undertook the think yellow pilot where patients who were high risk of falls wore yellow non slip socks instead of the trust standard red ones to help staff easily identify and support patients appropriately. The implementation of these initiatives will be monitored closely to evaluate the impact on reducing preventable falls.

The prevalence of all falls excluding clinical events has remained below 6 per thousand bed days (PTBD) during 23/24.



Falls with moderate harm and above have remained below the Trust target of 0.24 per 1000 patient bed days for 10 months during 2023/ 24, with May & Jun being 0.01 & 0.03 above the target.

Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-23	Feb-23	Mar-23
0.17	0.25	0.27	0.09	0.18	0.13	0.13	0.04	0	0.17	0.04	0.04

Malnutrition universal screening tool (MUST) compliance

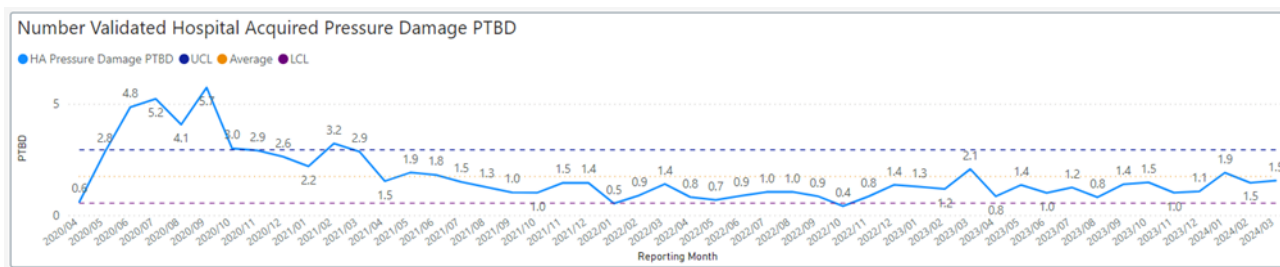
The Trust target of $\geq 95\%$ compliance for malnutrition screening within 24 hours of admission and MUST 7-day screening continued to be achieved throughout 2023/24. 10 out of the 12 months for 7-Day screening and 11 out of 12 for 24hours of admission exceeded the target with a compliance rate of $\geq 97\%$, demonstrating an embedded process.

Nutrition & Hydration Measure	2023/03	2023/04	2023/05	2023/06	2023/07	2023/08	2023/09	2023/10	2023/11	2023/12	2024/01	2024/02	2024/03
7-Day MUST Compliance	98.23%	98.49%	97.95%	98.57%	98.46%	98.02%	98.23%	96.17%	98.21%	96.72%	97.25%	97.58%	97.16%
24-Hour MUST Compliance - Ward Level Opportunities	98.17%	98.73%	98.62%	99.04%	98.88%	98.56%	97.53%	98.89%	98.24%	97.52%	96.55%	97.87%	97.57%

WUTH has a Nutrition and Hydration steering group where MUST assessment compliance and assessment quality is monitored.

Hospital acquired pressure ulcers and deep tissue injuries

WUTH has maintained its 2022/23 HAPU prevalence position with 11 out of 12 months in 2023/24 being below the upper control limit of 1.5 per 1000 patient bed days.



WUTH continues to adhere to its pressure ulcer prevention model of ASKING, which focuses on key elements of patient care such as nutrition & hydration, continence management, repositioning and pressure relieving equipment.

During 2023/24 there has been a total of 9 hospital acquired category 3 and 1 category 4 pressure ulcers. All hospital acquired category 3 and above pressures ulcers are reviewed against required standards of care to identify areas for learning and improvement. All these HAPUs were located on the patients' sacral areas, one of the improvement measures that has been completed to support a reduction in this risk is a review of the current mattress provision with aligned plans to implement a fleet of new mattresses in 24/25, these mattress updates form part of Trust & Divisional Improvement plans.

In October 2023 the National Wound Care Strategy released new guidance, the Trust is on target to implement these recommendations April 2024 which includes launching a new pressure ulcer risk assessment tool Purpose T.

Management of serious incidents / duty of candour

During 2023/24 the Trust continued to support an open and transparent culture of incident management. The evidence of this can be seen in high levels of reporting and timely management of reviews and investigation. In line with the duty of candour we ensure we are open and honest with our patients and families if there has been an error or omission resulting in harm.

The Trust has implemented the Patient Safety Incident Response Framework (PSIRF) on 1st September 2023, in line with national mandates. In line with this implementation the Trust has maintained an implementation group to ensure the new processes are effective and embedded into practice. To support the principles of engagement with those affected by patient safety incidents, the Trust has developed 11 Engagement Leads who are key in ensuring the quality of the organisational response through Duty of Candour. A further 29 have been put forward with dates for training arranged in the early part of 2024/25.

In line with closure of the Serious Incident Framework processes, the Trust has concluded all legacy Serious Incident Investigations and submitted final reports to the ICB. These reports are now undergoing commissioner scrutiny to agree closure.

The Trust has declared two never events during 2023/24. Both incidents are subject to a full investigation through the Patient Safety Incident Investigation process and System Engineering Initiative for Patient Safety (SEIPS) methodology. Duty of candour was complied with.

Reviews of harm

The impact of the pandemic has resulted in a considerable backlog and delay in the time patients are waiting to receive treatment across the NHS. The Trust has a process in place to ensure patients are prioritised based on clinical need and that all incidents of patients waiting beyond national standards for cancer treatment and / or surgery undergo a clinical harm review. The clinical harm review process is aligned the incident management governance process to ensure any incidents resulting in harm undergo appropriate investigation and learning and the duty of candour is met.

Complaints

The Trust registered 196 formal complaints during 2023/24: an average of 16 new formal complaints per month, which was an 18% decrease from the previous year. There was a smaller decrease, of 1%, in informal concerns (PALS).

For comparison, in 2018/19 (i.e. pre-pandemic), WUTH averaged 23 new formal complaints per month. This fell to 15 in 2020/21, then rose to 18 in 2021/22, and to 20 in 2022/23.

Of the new formal complaints registered in 2023/24, 98% were acknowledged within the national target of three-working days, with an average acknowledgement time of one working day.

Alongside the reduction in complaint numbers, there was a 10% improvement in Trust response times; however, overall performance remained below WUTH's target of 40 working days. Only 35% of complainants received their first response within that period, with an average resolution time of 60 working days (versus 69 in 2022/23 and 59 in 2021/22); WUTH endeavours to keep complainants updated on such delays.

There was a 38% decrease in the number of complaints opened with the Parliamentary and Health Service Ombudsman (PHSO) for consideration of independent investigation.

Following the PHSO's consideration of initial documentation provided by WUTH, not all complaints proceed to formal investigation; during the year nine such cases were closed. This suggests that, despite not always achieving successful local resolution of complaints, the Trust is generally providing fair and accountable investigations and responses.

Of the four PHSO cases that were closed following a formal investigation, one was not upheld, and three were partially upheld.

For continuous improvement, WUTH's Patient Experience Team continues to undertake end-to-end review of the Trust's complaints handling processes, supported by a weekly complaint monitoring meeting at which divisional progress on open complaints is discussed. Complaint themes and actions are also monitored through quarterly and annual reporting.

With the aim of improving response timeliness, quality and consistency, during 2023/24 there have been monthly training sessions for key divisional staff involved in the investigation of complaints. The Trust also procured the web interface for the complaints module of its clinical governance database. This will facilitate and support improved real-time reporting of complaint investigations, themes and learning, and completion of actions.

Comparative performance summary	2022/23	2023/24
Formal complaints registered	240	196
Informal concerns registered	2215	2195
Formal complaints acknowledged in three working days	95%	98%
Formal complaint responses sent within agreed timescale	25% (68/267 responses)	35% (64/183 responses)
Avg. response time to formal complaints	69 working days	60 working days
PHSO cases opened	13	8
PHSO completed investigations upheld or partially upheld	3 (21% of closed cases and 60% of investigated cases)	3 (23% of closed cases and 75% of investigated cases)

Ward accreditation

WISE (W – Wirral, I – Individual, S – Safe Care, E – Every time) ward assessment and accreditation programme has been in place since 2019. The WISE programme focuses on delivering high quality individualised, safe care to patients, which is a key priority for the Trust.

The table below demonstrates the progression of ward accreditation attainments comparing levels of assessment at implementation in 2019 to levels achieved in 2024.

	1 st Audit Cycle - 2019		Current Audit Cycle - 2024	
Levels				
Level 1	10	37%	1	3.22%
Level 2	16	59.3%	7	22.5%
Level 3	1	3.7%	23	74.19%
Total Areas	27		31	

The wards that have been reassessed have shown sustainment and ultimately improvement in the care given, with two wards achieving four consecutive Level 3 assessments. Five wards have achieved Level 3 status for three consecutive assessments. The single ward at Level 1 is being supported towards improvement.

Tendable™

Tendable inspections are used to assess quality, safety, and patient experience across our clinical areas providing real time and high visibility assurance.

During 2023 / 2024 the use of Tendable across the Trust has continued to expand with an extended range of audits and increased areas being included: 46, 649 inspections were completed using 104 different audit types across 180 areas. In addition to clinical areas, support services have implemented the use of Tendable inspections such Health and Safety inspections including Quarterly Environmental Risk Assessment.

Environment

The trust has a Green Plan which seeks to embed sustainability and low carbon practice in the way we offer vital healthcare services and help the NHS to become the first health service in the world with net zero greenhouse gas (GHG) emissions.

Our green plan has nine areas of focus with actions to be achieved within the next three years to minimise our adverse impact on the environment. Areas of focus include travel and transport, estates and facilities, digital transformation, supply chain and procurement, and medicines. Our green plan can be found here:

[wuth-green-plan-final-v10.pdf](#)

Performance review of the action plan is conducted by the Sustainable Development Group (SDG), chaired by the Head of Sustainability and Net Zero Carbon management. Practical implementation is delivered by the 'Areas of Focus' leads (all members of SDG) and Green Champion Network.

Green Plan Actions 2023/24	
Not Started or Limited Progress	47
Underway and/or Partially Completed	61
Complete or ongoing/BAU	20

Task force on climate related financial disclosures (TCFD)

In light of the growing awareness of climate change, NHS Trusts are taking steps to transition towards a sustainable and resilient zero-carbon economy. There is a clear need for the Trust to not only focus on reducing greenhouse gas emissions, but also to actively prepare for and adjust to the implications of climate change.

In 2021, the Trust made a commitment to deliver a net zero national health service by 2040, by reducing the emissions we can control directly to net zero, with an ambition to reach an 80% reduction by 2028 to 2032. This target is in alignment with the Greener NHS' Delivering a 'Net Zero' National Health Service Report. To achieve this goal, the Trust introduced its Green Plan 2022-2025 (Green Plan), designed to offer greener services by reducing the environmental impact of the estate. Our Green Plan also aims to establish net zero carbon emissions and promote environmental stewardship among staff, patients, and visitors.

NHS England's NHS Foundation Trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England. The phased approach incorporates the disclosure requirements of the governance pillar for 2023/24.

Governance Pillar

The Trust recognise that the key to successfully embed climate-related financial planning is by having a leadership team with clear and specific responsibility over climate-related risks and opportunities. A governance structure is in development which will provide oversight, challenge, and accountability for the delivery of the Green Plan and Sustainability objectives.

The Green Plan has three main areas of vision: Net Zero, Climate Resilience, and Social Value. These are broken down into nine areas of focus, such as Sustainable Models of Care, Digital Transformation, and Supply Chain & Procurement, that appraise our status and set actions to be achieved within the duration of the Green Plan. Each area of focus has an action plan that details the action required, the key stakeholders involved, indicative cost to achieve, and the target year. The future ambition for the Trust is for the status of the actions within the Green Plan to be externally appraised at the end of the financial year and reported to the Board of Directors. We are working collaboratively with Cheshire and Merseyside Sustainability Board to ensure that actions are alignment with the ICB Green Plan.

The Green Plan is ultimately overseen by the Chief Strategy Officer at Executive level, with the Director for Estates, Facilities, and Capital Planning as their direct report. The Associate Director of

Governance and Sustainability, along with the Head of Sustainability is responsible for developing and delivering the Green Plan within the Trust. In addition, we have developed strategies and policies to promote intra-organisational actions with stakeholders to reduce emissions and adapt to climate change through a Sustainable Development Group (Committee).

The Green Plan and Sustainability update is presented to the Board of Directors on an annual basis. Updates are provided to the Estates and Capital Committee, which meets quarterly, chaired by the Chairman of the Trust, and has mandatory attendance by the Executive and Non-Executive Directors. The Green Plan update is also presented to the Council of Governors, which is attended by members of the local council, Trust Governors, and board members.

During the financial year 2024/25 the Estates and Facilities division plan to undertake a Master planning exercise for the Arroe Park site and conduct a refresh of the Clatterbridge site Masterplan. These exercises will support risk assessments aligned to Climate adaptation once future strategies have been agreed.

People Strategy

During 2023-24 the Trust has continued to deliver objectives against Trust's People Strategy, one of the key enabling strategies supporting the delivery of the Trust's strategic aims and objectives. This continues to recognise that our workforce is central to the delivery of our vision to deliver the best quality and safest care to the communities we serve, and we continue to put our workforce at the heart of everything we do.

The strategy has four pillars, underpinned by a vision for our workforce:

- **Looking after ourselves and each other**
 - We will develop a wellbeing culture where supporting and enabling the holistic wellbeing of our people becomes the norm.
- **Belonging at WUTH**
 - We will develop an inclusive culture where everyone's voice is represented.
- **Transforming ways of working**
 - We will embrace new ways of working and create opportunities to enable our people to achieve their potential.
- **Shaping our future**
 - We will improve outcomes across Wirral for health, employment and wellbeing by working with our partners to be the best place to work.

At the start of 2023/24 we set ourselves some ambitious challenges for Year Two of our People Strategy delivery plan. This was designed to deliver a programme of work which realises the visions described above and delivers a positive impact for our staff. Some of the key achievements delivered throughout the year are:

- Introduced flexible working ambassadors and enhanced our flexible working offer.
- Enhanced our wellbeing support offer to staff, including a relaunch of our employee assistance programme.

- Embedded our leadership for all development offers.
- Designed and launched a new Engagement Framework.
- Build coaching and mentoring capacity and embedded a robust process for supervision.
- Launched new appraisal and management supervision process, which include staff Health and Well-being check-ins.
- Launched a workforce planning tool and improved job planning systems and processes.
- Improved our recruitment and onboarding processes.
- Improved staff retention.
- Launched civility and kindness initiatives.
- Designed and launched work experience programmes in collaboration with Liverpool City region targeting schools in high deprivation areas of Wirral.

Throughout 2023/34, we have continued to strive towards being the best place to work, and to support our staff through the challenges we have faced in relation to operational pressures and the on-going Industrial Action.

We will continue to talk with and listen to our people about how we best achieve our aims and ensure that everything we do is aligned to our Trust values of respect, teamwork, improvement and caring, with inclusion and wellbeing are at the heart of everything.

Equality and Diversity

The Trust recognises the importance of the equality, diversity and inclusion (EDI) agenda in achieving its overall strategic aims and in addressing both health and employment inequalities.

The Trust is fully committed to the requirements of the Equality Act 2010 and public sector equality duty. The Trust remains compliant with all public sector equality duties and seeks to build on this through the advancement of agenda. The EDI agenda is no longer a separate strategy, but instead is fully integrated into the delivery of the People Strategy 2022-2026. In addition to this, the Trust launched its EDI Strategic Commitment in summer 2022, which ensures all annual strategic objectives are aligned to the four pillars of the People Strategy and reflect the EDI Strategic Commitment.

The Trust has undertaken a self-assessment of the new Equality Delivery System framework. The self-assessment engaged a wide range of stakeholders including an independent stakeholder – Wirral Health Watch. The Trust's current ratings under the equality delivery system (EDS) are detailed below. The self-assessment was submitted on 28th February 2024 and published on the Trust website. The outcome of the self-assessment will form part of 2024/25 People Strategy plans. The Trust has progressed from 'Developing' to 'Achieving' following its continued commitment to advancing EDI agenda at WUTH.

Domain / Indicator	Rating
Domain 1: Commissioned or Provided Services – Cancer Services	
1A: Patients (Service Users) have required levels of access to the service	Developing
1B: Individual patients (service users) health needs are met	Achieving
1C: When patients (service users) use the service, they are free from harm	Achieving
1D: Patients (service users) report positive experiences of the service	Achieving
Domain 2: Workforce Health & Wellbeing	
2A: When at work staff are provided with support to manage obesity, diabetes, asthma, COPD & mental health conditions	Achieving
2B: When at work, staff are free from abuse, harassment, bullying & physical violence from any source	Achieving
2C: Staff have access to independent support and advice when suffering from stress, abuse, bullying, harassment and physical violence from any source	Exceeding
2D: Staff recommend the organisation as a place to work and receive treatment	Developing
Domain 3: Inclusive Leadership	
3A: Board members, system leaders (Band 9 & VSM) and those with line management responsibilities routinely demonstrate their understanding of, & commitment to, equality & health inequalities	Achieving
3B: Board/Committee papers (including minutes) identify equality & health inequalities related impacts & risks & how they will be mitigated & managed	Exceeding
3C: Board members, system & senior leaders (Band 9 & Very Senior Managers) ensure levers are in place to manage performance & monitor progress with staff & patients	Achieving

The Trust has a calendar of activities that create awareness and celebrates diversity and promotes inclusion throughout the year. The Trust introduced two staff networks in 2023 as part of its commitment to supporting equality, diversity and inclusion at the Trust: the Menopause and Veteran & Armed Forces staff networks. These networks continue to grow in both membership and in advancing their respective agendas. Each staff network is supported by an executive partner; offering support, opportunities, and direct links to Trust decision making processes. The Trust’s Workforce Steering Board has agreed to allocate two days per month dedicated time for the chairs of each network to ensure they have the capacity to advance the network’s agenda. The Trust now has the following staff networks in place and embedded:

- WUTH sunflowers for our staff with disabilities and long-term conditions and their carers
- Rainbow Alliance – for our lesbian, gay, bisexual, trans and non-binary (LGBT+) staff and allies
- Multicultural staff network – for our ethnically diverse staff
- Menopause Network – is available for all staff; primarily those experiencing the symptoms of menopause and peri-menopause, however other staff who wish to get more information or support their partners are also welcome to attend.
- Veterans & Armed Forces network – is available for staff that have served in the armed forces or continue to serve in the armed forces as a Reservist. The network is also available for families of serving personnel as a means of support.

The Trust is proud to continue to hold the Merseyside In Touch LGBTQ+ Navajo accreditation, in recognising the Trust’s commitment to promoting and supporting LGBTQ+ people. A key aspect of this work is to champion the LGBTQ+ community through raising awareness. We also promote the NHS rainbow pin badge initiative, to ensure greater awareness and understanding of the challenges

faced by our LGBTQ+ patients, service users and staff and offering a symbol of support for those in need.

We also continue to progress the Disability Inclusion agenda at the Trust and progress remains consistent in the delivery of the government's Disability Confident scheme; the Trust is proud to be a Disability Confident employer. Action on Disability group commenced in 2023. This staff led group has identified a number of initiatives they wish to address including reviewing policy and creating a resource repository for staff that signpost them to a range of resources and support for assistance.

The Trust signed the Government's Armed Forces Covenant in November 2021, declaring our commitment to enhancing support for those who serve, have served and their families to ensure they are treated fairly. Work has continued during 2023/24 in support of the covenant. The Trust achieved the Bronze Award for the Defence Employer Recognition Scheme in June 2022 and is finalising its application for the achievement of the Silver Award. This year WUTH participated in the Wirral Remembrance parade and laid a poppy wreath at Birkenhead Cenotaph.

Our multi-faith chaplaincy and spiritual care team continues to be in place, offering much needed support to patients, service users and staff.

The Trust is an active participant in local and regional collaborative forums, to ensure best practice is achieved across all areas of equality, diversity and inclusion and work collaboratively with Trusts across Cheshire and Merseyside and the wider north-west region.

The organisation continues to ensure its compliance with key reporting requirements, including Workforce Race Equality Standards (WRES), Workforce Disability Equality Standards (WDES) and gender pay gap reporting, with annual reports accessible on the public section of the Trust's Diversity and Inclusion webpage

Feedback from all reporting requirements is included within an overarching diversity and inclusion annual report and actions identified to improve. This report can also be found here. The Trust has a diversity and inclusion steering group that monitors progress with the action plan required to ensure achievement of the Trust objectives and has regular update reports reviewed through the workforce governance structure and to the Board of Directors.

During 2024/25 we want to further build on the excellent progress we have made to ensure that equality, diversity and inclusivity are integral within our future patient experience and people strategies.

Equality, Diversity and Inclusion and Patient Experience

The Trust launched its five-year Patient Experience Strategy in April 2022, the strategy was developed in partnership with patients, voluntary charity faith (VCF) networks, carers, Healthwatch

and hospital staff. The strategy has five underpinning promise groups with equality, diversity, and inclusivity EDI being paramount to each of them. Each of the five promises has a structure where feedback from service users determines the focus of task and finish groups to drive improvements. With a key focus on engagement and co-production the Patient Experience Strategy work actively seeks feedback from people from protected characteristics or who may be in a social inclusion group. A key priority objective for year two was the expansion of non-digital communication strategy, recognising two fundamental aspects, the high prevalence of digital exclusion within Wirral and a commitment to engage with the wider Wirral community. WUTH has undertaken a series of engagement and awareness events including visiting local supermarkets, Wirral Multi Cultural Organisation and attending Wirral Deaf club, this wider community engagement will continue to be a priority in year three.

Year two has seen the completion and implementation of several workstreams aligned to EDI, including the co-design of patient orientation & information films, the distribution of the co-designed Health & Carers passport signs, the launch of the “hello my name is” campaign aligned to eliminating racial microaggression and the establishment of the hidden disabilities group.

In order to encourage feedback from all people accessing our services WUTH has a variety of different and accessible methods in place, these include, the use of the Friends and Family Test (FFT) provided in different formats and aimed at different patient groups, the use of social media platforms, liaison and engagement with local VCF groups, dedicated phone contacts, email addresses, localised patient surveys, IVMs, SMS, wide use of QR –and the utilisation of volunteers . In addition, WUTH have a patient experience story library that shares lived experiences and is used to bring the voice of the patients into Trust meetings with learning shared and used to support workstreams within the patient experience strategy.

Domain one of the Equality Delivery System (EDS) centres on patients, their experiences, access and outcomes, each year results are published on the Trust website. For 2023/ 24 WUTH in partnership with Wirral Healthwatch chose Cancer Services as its service review.

Leadership and culture

The Trust launched its Leadership Qualities Framework (LQF) at the WUTH Leadership Conference in June 2022. The LQF is based upon the principle of Leadership for All (anyone regardless of role or grade can display the qualities of a leader), will underpin the Leadership development offer at the Trust. Now in its second year the framework is used to design development programmes that enhances the confidence and competence of our leaders, enabling them to build the necessary qualities (competencies and behaviours) required to lead high quality healthcare, these include:

- compassion and Inclusion
- self-awareness
- enabling people
- transformational

- outcomes focus

This approach ensures we have the capacity and skills needed across all levels of leadership and across disciplinary and professional boundaries. This will include leading:

- self
- teams
- services
- organisation
- across the wider system

2023/24 saw the continued implementation of a number of management and leadership development programmes, this included Manager Essentials and a number of 'Mini-manager Essentials' to equip individuals in management positions with the necessary knowledge and skills to full this aspect of their role. Furthermore, the Trust continued to provide their 'leadership for all' masterclasses which are available to all staff and ensure ongoing access to development in bitesize chunks, with a clear focus on key priorities such as wellbeing and compassion.

We continued to 'Leading Self' and 'Leading Teams' programmes and are proud to have finalised design and commence both the Leading Service and Leading Organistaion programmes. In addition the Executive team have commenced their team development programme, commissioned in collaboration with our Northwest Leadership Academy membership.

In October 2023, the second annual Leadership Conference took place. The event hosted almost 200 leaders from a diverse range of roles and grades at Chester Racecourse. The theme of the conference was 'embedding the LQF' and provided a fantastic opportunity to launch the new LQF self-diagnostic tool, which enables leaders to benchmark their current practice against the LQF in preparation for their leadership development programme and to prepare for their annual appraisal.

We continue to support the future pipeline of talent by supporting divisions and departments in applying for and facilitating placements for future NHS leaders through the NHS Graduate Management Training Scheme, and co-ordinating senior leader access to the North-West Talent Pool.

The Trust continues its journey to embed a just and learning culture. Following successful delivery of the 2023/24 plan, the project will become business as usual now that it has been successfully embedded across a number of policies and process and the support for staff involved in an unplanned event is accessible.

Education

During 2023/24 education provision within WUTH for all clinical roles have been identified following a robust training needs analysis process. Undergraduate and postgraduate programmes

are embedded to ensure we have a workforce of the future with the knowledge and skills to deliver safe and effective patient care. There has been an introduction of virtual placements which supports a wider group of learners gaining clinic experience. There has been a significant investment with the support from NHS England Health Education England to update and invest in new training kit and upskilling of the non medical workforce enabling the Trust to enhance the education delivery for 23/24.

A successful delivery of clinical skills/simulation/human factors has continued throughout 2023/24 which designed to meet the needs of the changing healthcare environment. There is an enhanced non medical development programme delivered for our new registrant supporting them throughout their first year of post.

The simulations suite enables the Trust to undertake a dynamic approach to learning and has supported the start of the expansion work in place to deliver against the NHS Long Term Plan ambition of increasing the number of doctors in training.

Considerable work has been undertaken to improve the onboarding of our junior doctors and to minimise duplication of training. The Medical Education team work closely with Divisional colleagues and our Medical Resourcing Team to identify and address future rota gaps.

Mandatory training and appraisals

Mandatory training compliance at 31 March 2024 was above the 90% target at 92.44% and appraisal compliance was below target at 87.27%. Despite ongoing operational pressures the Trust has remained focused upon achievement of these target's. Whilst Appraisal has been more of a challenge to sustain, mandatory training has been sustained since January 2023. This is of particular note given the winter pressures and industrial action the Trust has experienced.

Work continues with divisions to support them in maintaining the target and improving compliance rates further. Compliance with mandatory training and appraisals is monitored through divisions and the education and workforce governance structure.

A review of current mandatory training has taken place in which subject matter experts have reviewed the learning outcomes of their training against the National Core Skills and Training Framework (NCSTF). This benchmarking exercise will not only ensure the Trust remains aligned to delivery of quality training, but will also enable the 'inter-authority transfer' of training records between NHS trusts for new starters ensuring staff don't have to repeat training.

Following a review of appraisal, the Trust has transformed their approach to appraisal and management supervision at WUTH. The new approach focuses upon staff and their line manager having regular quality conversations focussing on an individual's 'contribution, wellbeing and development'. This new person-centred approach was developed by staff as part of a codesign event

in December 2022, and was successfully launched in April 2023. Feedback has been extremely positive and whilst target was achieved and sustained for several months, winter pressures and ongoing industrial action have impacted the Trust's ability to maintain compliance at target.

Library and knowledge service (LKS)

The LKS continues to serve staff and students on placement at WUTH and Wirral Community Health and Care NHS Foundation Trust with all their library and knowledge requirements. This enables NHS workforce members to freely access LKS resources, services and support so that they can use the right knowledge and evidence to achieve excellent healthcare and health improvement across Wirral.

During 2023/24 work to enhance the service offer of the Library and Knowledge Service has taken place with the launch of two new knowledge sharing activities designed to increase connection between the workforce and reduce burn out through reading. These initiatives are called 'Pleased to Meet You' and 'Drop Everything and Read'. Those staff that have participated in the initiatives have found them to be a positive and helpful experience.

The Knowledge and Library services have invested significantly in book renewals this year to not only extend the size of book stock the library holds, but also to ensure all medical texts remain current, with those five years or older removed from shelves (as required). The library team has implemented all of the recommendations from its 2022 Library Quality Assessment and are currently preparing for its second library assessment which will take place from April 2024, the assessment is an external review led by NHS England's Northwest region Library team and aims to benchmark the service against key quality criteria for library and knowledge services.



Janelle Holmes
Chief Executive

Date: 27 June 2024

Directors' Report

Board of Directors - role and composition

As an NHS Foundation Trust, we are required to comply with the arrangements set out by our independent regulator, NHS England, in the Code of Governance for NHS provider trusts 2022. The Code of Governance requires us to have a comprehensive framework in place to ensure we are managed and governed properly.

The Board of Directors has collective responsibility for all aspects of the business of the Trust. The Board is responsible for approving the annual report and accounts. Specific responsibilities of the Board include:

- setting the organisation's strategic aims, taking into consideration the views of the Council of Governors, and ensuring the necessary financial and human resources are in place to deliver the Trust's plans
- ensuring compliance with the Trust's provider licence, constitution, mandatory guidance and contractual and statutory duties
- providing effective and proactive leadership of the Trust within a robust governance framework of clearly defined internal controls and risk management processes
- ensuring the quality and safety of services, research and education, and application of clinical governance standards including those set by NHSE, the CQC, NHS Resolution and other relevant bodies
- setting and maintaining the Trust's vision, values and behaviour, ensuring that its obligations to stakeholders, including patients, members, and the local community are met
- actively promoting the success of the organisation through the direction and supervision of its affairs.

The Board of Directors is held to account by the Council of Governors to discharge the Trust's accountability to the local population.

The Board of Directors has established a governance structure which sets out how performance management is organised, and assurance obtained on delivery. This is defined by the standing orders, standing financial instructions, and scheme of reservation and delegation. Together they define the governance arrangements and include decisions reserved for the Board and its committees and those delegated through the chief executive to management.

In 2023/24, the Board comprised a non-executive chair, six independent non-executive directors and four executive directors. There are three non-voting executive directors who regularly attend the Board to bring additional capacity and capability. Non-executive directors are generally appointed to a three-year term of office, with appointments phased where possible to provide stability and reduce unnecessary disruption.

The Board is also supported by a director of corporate affairs who provides independent and objective advice to the Board and the Council of Governors.

The unitary nature of the Board of Directors means that non-executive and executive directors are collectively and corporately responsible for organisational performance. There is a clear division of responsibilities between the chair and the chief executive. The chair is responsible for the leadership and effectiveness of the Board of Directors and the Council of Governors, ensuring that members of both bodies receive information that is timely, accurate and appropriate for their respective duties. It is the role of the chair to facilitate the effective contribution of all directors, and for ensuring that constructive relationships exist between the Board of Directors and the Council of Governors. The chief executive is responsible for the performance of the executive directors, the day-to-day running of the Trust and the implementation of approved strategy and policies.

There were some changes to Board membership during the year, the details of which can be found in the remuneration report.

Non-executive directors

Sir David Henshaw, Chair



Sir David was appointed chair in February 2019, having been the interim chair from March 2018. During his time as interim chair, Sir David was also the chair of Alder Hey Children's NHS Foundation Trust. At the request of the regulator, Sir David has undertaken the role of interim chair at a number of NHS Foundation Trusts.

Alongside his valuable experience within the health arena, Sir David has worked extensively in local government. He spent ten years at Knowsley Borough Council before being appointed as chief executive of Liverpool City Council, a role which he occupied for seven years. Sir David has undertaken non-executive director roles in a number of public and private organisations including the chair of Manchester Academy for Health Sciences and for Albany Investment PLC.

He is currently chair of National Museums Liverpool, and chair of Natural Resources, Wales. He is a trustee at North Wales Heritage Trust.

Sir David's current term of office runs from 19 February 2022 to 19 February 2025.

Steve Igoe, Deputy Chair, Senior Independent Director, Chair of Audit and Risk Committee



Steve was appointed as non-executive director / senior independent director in October 2018, and brings a wealth of experience to the Trust. He was appointed Deputy Chair in July 2022 following John Sullivan's retirement at the end of June 2022.

Steve is also the Deputy Vice-Chancellor of Edge Hill University where he has responsibility for the operational areas of capital projects, financial services, human resources, IT services, learning services, strategic policy & planning, and facilities management. He is also a director of several of Edge Hill's commercial enterprises.

He graduated with a first degree in Law from the University of Liverpool. He subsequently qualified as a Chartered Accountant in 1988 and went on to become a senior manager at PricewaterhouseCoopers, with specific expertise in project management and advising listed PLCs on corporate governance and risk management.

Steve was previously a non-executive director and senior independent director at Alder Hey Children's NHS Foundation Trust.

Steve's current term of office runs from 30 September 2021 to 30 September 2024.

Sue Lorimer, Chair of Finance Business Performance Committee



Sue was appointed as a non-executive director in July 2017. She has spent most of her career in NHS finance, mainly in the provider sector and is an associate member of the Chartered Institute of Management Accountants. She took up her first finance director post in 1990 and has held Board level posts in a variety of NHS providers including ambulance, community and specialised services. She joined the NHS Trust Development Authority, (later NHS Improvement) when it was formed in 2013, taking the lead on provider finance across the north of England.

Sue is a keen supporter of training and development and was a trustee of the Healthcare Financial Management Association for 9 years, taking the role of president in 2015.

Sue's 6 year tenure expired on 30 June 2023, and was renewed for 12 months, with an end date of 30 June 2024.

Chris Clarkson



Chris was appointed as a non-executive director in July 2018 and brings with him great knowledge and experience of technology developments and project management from his career in the aerospace Industry.

Having held a number of senior executive level positions with BAE Systems, Chris has worked both nationally and internationally. His primary talents and interest are within the areas of technology development, project management and leadership where he has made many notable achievements.

Chris has a strong wish to support the community and the NHS through sharing his wealth of experience supporting the organisation and its dedicated workforce.

Chris' current term of office runs from 30 June 2021 to 30 June 2024. His tenure has been renewed for a further 12 months to expire on 30 June 2025.

Steve Ryan, Chair of Quality and Safety Committee



Steve was appointed as a non-executive director in January 2021. Steve was a consultant paediatrician and specialised mainly in general paediatrics but included specialty work in his clinical career. He spent some time in academic practice - his main research interests being in nutrition of premature babies and headaches in children.

Steve has over 12 years of experience as an executive medical director at Alder Hey Children's NHS Foundation Trust and at Barts Health NHS Trust. He undertook a range of regional strategic roles including being the clinical chair of the NHS Next Stage ("Darzi") review in the North West in 2008. Whilst in London he provided leadership in the transformation of young people's mental health services and in the reconfiguration of cancer and cardiac services.

Steve's current term of office runs from 18 January 2024 to 17 January 2027.

Lesley Davies, CBE, FCFE, Chair of People Committee



Lesley has worked in the education and training sector for the majority of her career. She is Executive Director for the Chartered Institution for Further Education (CIFE) and Chair of the Corporation of the Hull College Group, and prior to this, she was CEO and Principal of the Trafford College Group. She joined Trafford from Pearson, where she was Senior Vice President and Senior Responsible Officer with responsibility for qualification standards, quality, and the awarding of all academic and vocational qualifications worldwide. Lesley joined Pearson from the Association of Colleges (AoC) where she was Deputy CEO and led on

education policy and international. Lesley has also held senior positions in the Learning and Skills Council and the Adult Learning Inspectorate.

In 2016 she became Chair of the newly formed UK Skills Partnership Board, a network of the UK's leading education sector organisations and which was established to promote the development of vocational and technical skills internationally. She is a member of the DIT's Ministerial Education Sector Advisory Group and British Council's Education Advisory Board.

Lesley is a Trustee for the education charity CVQO.

In 2015 she was made an Officer of the Order of the British Empire for services to education, she is also a fellow of the Chartered Institute for Further Education and Honorary Vice President for the Council of British International Schools

Lesley's current term of office runs from 18th May 2022 to 17th May 2025.

Professor Rajan Madhok



Rajan is a public health doctor who worked in senior medical management positions in the NHS until his retirement. He took a major interest in health care quality and safety and academic medicine throughout his active career. Now, his focus is on global and public health, capacity building and leadership development, and he is keen to promote reflective practice.

Amongst many other positions he was the Chairman of British Association of Physicians of Indian Origin and a Council member of the GMC, and presently serves as a trustee of a number of voluntary organisations. He lives in North Wales.

Rajan's current term of office runs from 1st July 2022 to 30th June 2025.

Executive directors

Janelle Holmes, Chief Executive



Janelle was appointed as Chief Executive in June 2018, having already spent two years at the Trust as Chief Operating Officer.

Janelle has worked in the NHS since qualifying as a Registered General Nurse in 1991. She is passionate about service improvement, staff development and whole system working to improve patient outcomes and experience.

Dr Nikki Stevenson, Medical Director



Dr Nikki Stevenson joined the Trust in 2007 as a consultant physician in respiratory & general (internal) medicine. In 2015 she became clinical service lead for respiratory medicine, and in 2018 was appointed associate medical director for medical and acute specialties.

She was appointed as Medical Director in October 2018 and was also appointed Deputy CEO in April 2020. She continues to undertake clinical work; both in respiratory outpatient clinics and by participating in the medical on-call rota.

Nikki is a trained mentor and coach with a keen interest in education, research and quality improvement.

Tracy Fennell, Chief Nurse (to 18 December 2023)



Tracy qualified in 1997. Tracy has worked in a number of leadership roles across a number of acute trusts, including Lancashire Care NHS Foundation Trust (covering mental health and community). Tracy's career has included several corporate roles in clinical education, quality improvement, nursing strategy, workforce development and assurance.

Tracy joined WUTH as Deputy Chief Nurse 2018. Tracy has contributed to key initiatives in international nurse recruitment, setting up the vaccination hub and developing the patient experience strategy.

Tracy stepped down as Chief Nurse in December 2023 and the Trust has completed a recruitment exercise, with a new Chief Nurse due to start in June 2024.

Mark Chidgey, Chief Finance Officer



Mark Chidgey joined the Trust in June 2022, having been the Chief Finance officer for NHS Wirral Clinical Commissioning Group. Mark is a qualified accountant, who graduated from the University of York.

Since joining the NHS in 1990, Mark has considerable experience in both acute and commissioning sectors. Mark has worked at board level for over 10 years, most of that time as a finance leader, but his responsibilities have also included Quality, Safeguarding, Commissioning and Performance.

Mark brings with him a wealth of experience of partnership working across health and care systems and has worked at a national level on the development and implementation of payment systems and outcomes frameworks for population health.

Hayley Kendall - Chief Operating Officer (non-voting)



Hayley joined the Trust in January 2022 having spent six years at Liverpool Heart and Chest Hospital latterly as the chief operating officer. Hayley previously worked at the Countess of Chester Hospital NHSFT in a number of operational management roles.

Matthew Swanborough, Chief Strategy Officer (non-voting)



Matthew Swanborough joined the Trust in November 2019. Prior to this, he was Director of Resilience at Manchester University NHS Foundation Trust. Matthew has also held a number of operational roles at Manchester University Hospitals NHS Foundation Trust including director of operations at Manchester Infirmary and Trust turnaround director, directing the financial recovery programme.

Prior to this, Matthew worked as a director of healthcare consulting at PricewaterhouseCoopers LLP in Sydney, Australia, leading on service improvement, financial recovery and mergers with a range of public and private healthcare organisations.

Deborah Smith, Chief People Officer (non-voting)



Deborah initially joined WUTH in May 2021 in an interim role. Following a recruitment process, Deborah was appointed as Chief People Officer in December 2021. Deborah has worked in the NHS for over 10 years, coming through the NHS Graduate Management Training Scheme. Deborah has worked as a human resources and organisational development professional in several NHS Trusts. Prior to joining WUTH, she was the deputy chief people officer at Warrington and Halton Hospitals NHS Trust

David McGovern DL, Director of Corporate Affairs



David was appointed as Director of Corporate Affairs in September 2021 following a number of years working in senior positions across sectors. He is not a member of the Board but is a member of the Executive Team.

David has worked in a number of sectors spanning over 30 years from his first job in Local Government. As well as roles in Local and Central Government (as a Home Office Adviser) during his career he has worked in a variety of senior roles in such diverse areas as Policing, Transport, Housing and the Private and Charity Sectors. Prior to joining WUTH, David was the Group Company Secretary at the ForViva Group.

David has been on the Boards of several charities and supports a number of charities in developing their Boards and Constitutions. Much of his charity work has been focused on equalities and in particular organisations that support the LGBT+ community. He is currently the Chair of Manchester Pride and a Deputy Lieutenant in Greater Manchester.

Board meetings and attendance

The Board of Directors met on 11 occasions in 2023/24. Each meeting was quorate. Board member attendance at the meetings was as follows:

Director	Meeting Attendance Actual/ Possible
Sir David Henshaw (Chair)	9/11
Steve Igoe (Senior Independent Director)	10/11
Sue Lorimer (Non-Executive Director)	9/11
Chris Clarkson (Non-Executive Director)	10/11
Steve Ryan (Non-Executive Director)	8/11
Lesley Davies (Non-Executive Director)	8/11
Rajan Madhok (Non-Executive Director)	9/11
Janelle Holmes (Chief Executive)	10/11
Dr Nicola Stevenson (Medical Director)	11/11
Tracy Fennell (Chief Nurse)	7/9
Mark Chidgey (Chief Finance Officer)	10/11
Matthew Swanborough (Chief Strategy Officer)	9/11
Deborah Smith (Chief People Officer)	11/11
Hayley Kendall Chief Operating Officer)	9/11

Directors' interests

Under the Trust constitution, members of the Board are required to declare any interest which may conflict with their appointment. The Board of Directors reviews their respective register of declared interests on an annual basis to identify any potential conflicts of interest. No such conflicts of interest have been identified. Directors are required to make known any interest in relation to matters being discussed at a Board meeting, and any changes to their declared interests.

In 2023/24 the chair had no significant commitments outside of the Trust that conflicted or impacted upon his ability to meet his responsibility as chair.

The registers of interest for the Board of Directors available to the public on the Trust's website via <https://www.wuth.nhs.uk/about-us/governance/>

Balance, completeness and appropriateness

In accordance with the requirements of the Code of Governance for NHS provider trusts 2022, the Board considers each of the non-executive directors to be independent in character and judgement

and has identified no relationships or circumstances that are likely to affect, or appear to affect, their judgement. In line with requirements, the Chair was considered independent on appointment. The criteria considered by the Board in determining the independence of the non-executive directors were, whether the individual:

- had been an employee of the Trust within the last five years.
- has, or has had within the last three years, a material business relationship with the Trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Trust.
- has received, or receives, remuneration from the Trust in addition to a director's fee, participates in a performance-related pay scheme or is a member of the Trust's pension scheme.
- has close family ties with any of the Trust's advisers, directors or senior employees.
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies.
- has served on the Board of the Trust for more than six years from the date of their first appointment.
- is an appointed representative of the Trust's university, medical or dental school.

Performance evaluation of the Board, its committees and individual directors is undertaken in a number of ways including the annual appraisal of directors, reviews of terms of reference, and year end evaluations of Committees. This year, the Board had an external evaluation undertaken by the Deloitte as part of a well-led review and further information on the review is provided in the well-led framework section below.

The Board believes that its composition is appropriate with a good balance of skills, experience and length of service, but also recognises the value of effective and timely succession planning. All directors participate in an annual appraisal process which includes evaluation of their performance against agreed objectives.

The chair appraises all non-executive directors. The senior independent director appraises the chair, taking into account the views of other Board members and members of the Council of Governors in accordance with the national guidance published by NHSEI in 2019. Appraisals have been undertaken for all non-executive directors. Outcomes of the appraisals of the chair and non-executive directors are reported to the Nomination Committee of the Council of Governors.

The chief executive appraises executive directors, and the chair appraises the chief executive. A report on outcomes of these appraisals is presented to the Remuneration Committee of the Board of Directors.

Operations of the wider governance structure

The Board of Directors has a number of governance documents, found in the Corporate Governance Manual, which include the Trust's Constitution, Standing Financial Instructions (SFIs), and a Scheme

of Reservation and Delegation (SORD), and all Terms of Reference for the Board, its Committees, the Council of Governors, and its Committee. The SORD lays out the schedule of matters reserved to the Board and Council of Governors, and what is then delegated to the relevant Committees.

Decisions reserved for the Board are generally high level and strategic decisions, such as approving strategy and organisational plans, establishing an effective governance structure, approving the appointment of the internal auditors, and continuous monitoring of the affairs of the Trust. Decisions reserved to the Council of Governors are in line with statutory requirements, and include the appointment and/or removal of the Chief Executive and the Non Executive Directors including the Chair, appointing the external auditor, monitoring appraisal of the Non-Executive Directors, and holding the Non-Executive Directors to account for the performance of the Trust.

The Committee Terms of Reference lay out their delegated authority from both bodies, and these can be found on the Trust website, along with the other documents from the Corporate Governance Manual.

In practice, the operation of the governance structure feeds both from the Committees up to the Board, and further to the Council of Governors, and vice versa. Committees review, scrutinise and approve areas delegated to them, and escalate as appropriate to the Board. Each Committee brings a report to the Board and to the Council of Governors. The Board has the authority to request Committees review specific areas, as does the Council of Governors, and requests therefore can feed down through the structure to the Committees.

Additionally, to engender good relationships, communication, and transparency, Governors are invited to observe the Board of Directors meetings, and the Board of Directors attend and present reports to the Council of Governors. While no areas of conflict between the Board and Governors has arisen in year, any disagreement between the two would be handled in line with the processes laid out in the Trust Constitution.

Further detail on the relationship between the Board and Council of Governors can be found below, in the section of this report which deals with the Council.

Board of Directors' committees

The Board of Directors undertakes regular reviews to ensure that the Trust maintains a robust committee structure which enables it to fulfil its purpose, and this has been considered again as part of the well-led review being carried out by Deloitte. The Board do not expect to change its Committees' structure but will consider any recommendations raised in the final report.

The Board delegates specific functions to its committees as outlined within their terms of reference and the scheme of reservation and delegation. Committee terms of reference were reviewed between August and November 2023 to align with the review of structure.

During 2023/24 the following committees took place:

- Audit and Risk Committee (five meetings)
- Finance Business Performance Committee (six meetings)
- Quality Committee (six meetings)
- People Committee (six meetings)
- Charitable Funds Committee (four meetings)
- Estates and Capital Committee (four meetings)
- Remuneration Committee (six meetings)
- Research and Innovation Committee (two meetings).

All committees have access to legal services and resources required to discharge their respective responsibilities.

Reports are presented to the next Board of Directors following the committee meeting to provide a summary of the key areas of discussion, and points of risk or escalation, and any resultant actions to be monitored by the committee.

Audit and Risk Committee

The Audit and Risk Committee membership consists of non – executives only. Its purpose is to scrutinise the Trust’s risk and assurance structure and processes to ensure they are effective and support all aspects of the Trust’s business.

The Audit and Risk Committee met 5 times during 2023/24. All meetings were quorate and a Chair’s report was submitted to the Board of Directors following each meeting to outline the key areas of discussion and actions to be undertaken to address any issues identified.

Attendance at the Committee meetings was as follows:

Committee Member	Meeting attendance Actual / possible
Steve Igoe, Chair	5/5
Rajan Madhok	4/5
Chris Clarkson	4/5

Audit and Risk Committee members meet in private with both internal and external auditors after each Committee meeting, and are committed to continuing with this practice.

The principal areas of review and significant issues considered by the Audit and Risk Committee during 2023/24 reflecting key objectives of the committee are summarised below:

- internal control and risk management arrangements;

- review of risks and controls around financial management, including losses, special payments, anti-fraud measures, and financial assurance;
- Internal audit reports and follow up actions;
- External audit reports and follow up actions.

Financial assurance - significant issues considered by the Audit Committee during 2023/24.

The Committee reviewed a number of accounting issues for the year ended 31 March 2024. These included the following matters:

- going concern
- material management estimates
- non-pay spend control and waivers
- bad debt policy

The majority of the audit risks are inherent to most reporting organisations and the Committee was content that these matters would not have an adverse impact in relation to audit work on the financial statements.

Going concern was discussed at the meeting in February 2024 and guidance from HM Treasury, NHSE, and DHSC was considered. Guidance confirmed that while all NHS bodies are required to document their basis for adopting the going concern basis, the assessment should solely be based on the anticipated future provision of services in the public sector, meaning that it would be highly unlikely that NHS organisations would have any material uncertainties over going concern to disclose, although this would still be subject to sufficient and appropriate audit procedures by external audit.

In addition, the Committee critically assessed the appropriateness of the accounting policies adopted and were satisfied that the policies were reasonable and appropriate.

Internal audit

Throughout the year the Committee has worked effectively with internal audit to ensure the design and operation of the Trust's internal control processes are sufficiently robust. A summary of the internal audits and the assurances provided are included within the annual governance statement.

Compliance

On an annual basis the Board considers an assessment of compliance with the Trust's licence and identifies any areas of risk for the forthcoming financial year. This includes compliance with condition 4 – Foundation Trust Governance. These conditions are detailed within the corporate governance statement, the validity of which was assured by the Audit Committee in April 2024.

Internal Audit Services

Internal audit was provided by Mersey Internal Audit Agency (MIAA) during 2023/24. The main purpose of the internal audit is:

- to provide an independent and objective opinion to the Accountable Officer, the Board and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives; and
- the provision of an independent and objective consultancy service specifically to assist the Trust's management to improve the organisation's risk management, control and governance arrangements.

The service is based on a risk-assessed audit plan, which is approved annually by the Audit and Risk Committee, along with any amendments required in year. The plan is delivered by appropriately qualified and trained auditors led by a nominated Audit Manager.

The 2023/24 internal audit plan was delivered in accordance with the schedule agreed with the Audit Committee at the start of the financial year, with the exception of the 1 review which has yet to be finalised.

The total cost for the service during 2023/24 was £118k.

Anti-fraud and corruption

Anti-fraud services are provided by MIAA. The anti-fraud specialist regularly attends the Committee to update on proactive anti-fraud work, ongoing cases and progress against the work plan agreed by the Audit Committee.

The anti-fraud services annual report for 2023/24 was considered by the Audit Committee in April 2024. The Audit and Risk Committee noted the assurance provided by the outcomes of the self-assessment against the Government Functional Standard for Counter Fraud with all standards rated green, providing an overall rating of green. This is an improvement on last year, where 12 of the 13 standards were green.

External audit

Azets Audit Services were appointed by the Council of Governors for three years from 2020/21 with the option to extend for a further two-year period. This two year extension was approved in February 2023 by the Council of Governors, and therefore Azets remain the Trust's external auditors. The total fees for the 2023/24 annual audit were £157,000 inclusive of VAT and £7k of expenses. The full expenditure with Azets in year also includes some unanticipated additional fees from the 2022/23 audit.

No non-audit work was undertaken during the 2023/24 reporting period.

Quality governance

The Board is committed to quality governance and ensures that the combination of structures at Board level and below supports the delivery of quality throughout the Trust. Trust has a quality governance and assurance structure which has been formally approved by the Board of Directors. The Quality Committee monitors performance in quality and patient experience. It also monitors compliance with CQC standards.

All methods of feedback including incidents, complaints, claims and formal reviews are analysed to ensure that lessons are learnt.

Further assurance of our quality systems and processes has been gained from internal assessments and external reviews. The Trust will produce a Quality Account which includes quality objectives set to improve patient safety, experience and outcomes. This will be published on 30 June 2024.

The well-led framework

The NHSE well-led framework provides a structure for trusts to assess their arrangements for effective leadership and governance. In early 2024, the Board commissioned Deloitte to undertake a well-led review. The results of this were reported to the June 2024 Board meeting, with a number of areas of good practice identified and a clear trajectory of improvement evidenced from the last well-led review undertaken in 2021. The Trust is clear on the actions arising from this report, and an action plan will be implemented and completed over the coming months.

Council of Governors

Role and composition

The Council of Governors has responsibility for representing the interests of our members and partner organisations. A principal role of the Council of Governors is to hold non-executive directors, individually and collectively to account for the performance of the Board of Directors.

The Council of Governors comprises:

- 13 public governors
- five staff governors
- four seats assigned to nominated partner organisations including two seats assigned to nominations from Wirral Metropolitan Borough Council.

Our governors are appointed for a three-year term and may serve up to a maximum of nine years if they are re-elected / re-appointed and they continue to:

- reside in the area of their constituency (public governors).
- be in employment at the Trust (staff governors).
- be nominated by the organisation they represent (appointed governors).

Governor elections

Civica Election Services manages the elections on behalf of the Trust. One round of elections took place in 2023/24 in accordance with the model election rules. Elections took place in five public constituencies (two unopposed) and three staff constituencies (no nominations received in two). We were delighted to welcome 3 new public governors and to confirm the re-election of 2 public governors and 1 staff governor. We currently have vacancies in two public constituencies and two staff constituencies which we will run elections for in 2024.

Governor attendance at Council of Governor meetings 2023/24

The following tables list the governors who have served as a governor during 2023/24, their term of office and attendance at Council of Governors meetings. Four meetings of the Council of Governors were held in 2023/24.

Public Governor (Elected)	First Elected	Current Term Expires	Meeting Attendance 2022/23
Bidston & Claughton			
Alan Morris	October 2021	*Stood down 25 th April 2023	1/1
John Brace	September 2023	September 2026	2/2
Birkenhead, Tranmere & Rock Ferry <i>Currently Vacant</i>			
Sarah Evans	October 2021	*Stood down 13 September 2023	0/2
Bromborough & Eastham			
Steve Evans	September 2014	September 2023	2/2
Neil Wright	September 2023	September 2026	2/2
Bebington and Clatterbridge			
Tony Cragg	October 2021	October 2024	3/4
Greasby, Frankby, Irby, Upton & Woodchurch			
Eileen Hume	September 2015	September 2024	4/4
Heswall, Pensby & Thingwall			
Robert Thompson	December 2020	September 2026	4/4
Leasowe, Moreton, & Saughall Massie			
Paul Ivan	October 2021	October 2024	4/4
Liscard & Seacombe			

Public Governor (Elected)	First Elected	Current Term Expires	Meeting Attendance 2022/23
Christine House	October 2021	October 2024	0/4
Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston & Thornton			
Keith Johns	September 2023	September 2026	1/2
New Brighton & Wallasey			
Sheila Hillhouse (lead governor from October 2021)	September 2017	September 2026	4/4
North West & North Wales			
Peter Israel Peters	October 2021	October 2024	3/4
Oxton & Prenton			
Paul Dixon	October 2018	October 2024	3/4
West Wirral <i>Currently Vacant</i>			
Andrew Tallents	October 2021	Stood down 6 th September 2023	0/2

Staff Governor (Elected)	First Elected	Current Term Expires	Meeting Attendance 2022/23
Medical Practitioners & Dentists			
Anand Kamalanathan	October 2021	October 2024	2/4
Nurses & Midwives – Arrowe Park Hospital			
Ann Taylor	September 2018	September 2024	1/4
Nurses & Midwives – Clatterbridge Hospital and other sites <i>Currently Vacant</i>			
Other Trust Staff			
Philippa Boston	December 2020	September 2023	2/4
Other Health Professionals <i>Currently Vacant</i>			

Stakeholder Governor (appointed)	First Appointed	Current Term Expires	Organisation	Meeting Attendance 2022/23
Mike Collins	May 2019	May 2023	Wirral Metropolitan Borough Council	0/1
Chris Davies	May 2022	May 2023	Wirral Metropolitan Borough Council	0/1
Gary Bennett	May 2023	May 2026	Wirral Metropolitan Borough Council	3/3
Julie McManus	May 2023	May 2026	Wirral Metropolitan Borough Council	1/3

Board member attendance at Council of Governor meetings 2023/24

Name	Role	Meeting attendance actual / possible
Sir David Henshaw	Chair	4/4
Steve Igoe	Non-Executive Director/ Senior Independent Director	4/4
Sue Lorimer	Non-Executive Director	2/4
Chris Clarkson	Non-Executive Director	1/4
Steve Ryan	Non-Executive Director	4/4
Lesley Davies	Non-Executive Director	1/4
Rajan Madhok	Non-Executive Director	4/4
Janelle Holmes	Chief Executive	2/4
Nicola Stevenson	Medical Director	3/4
Tracy Fennell	Chief Nurse	2/3
Mark Chidgey	Chief Finance Officer	3/4
Matthew Swanborough	Chief Strategy Officer	4/4
Deborah Smith	Chief People Officer	4/4
Hayley Kendall	Chief Operating Officer	2/4

Strengthening the links between the Governors and the Board

The chair has ensured that the Board of Directors and Council of Governors work effectively together through the provision of timely and appropriate information and attendance of Board members at Council of Governors' meetings. Where possible and relevant, training sessions and other development opportunities are scheduled with both NEDs and Governors.

Non-executive directors are also invited to public events where they can meet members, such as the Annual Members' Meeting. Each of the Board's assurance committees allows governors to observe, and there is a permanent governor observer on all but one Committee. All governors are invited to observe the Board of Directors' meetings.

Members of the Board attend the meetings of the Council of Governors to present information and respond to questions raised by governors. The non-executive directors who chair Board committees present an overview of the work of their committee enabling the Council of Governors to discharge their responsibility to hold the non-executives to account for the performance of the Board.

Strengthening excellent relationships with governors and members

The Trust considers the views of the Council of Governors to be invaluable in representing the local population and helping ensure that the views of our patients are reflected in our decision-making.

Development opportunities for governors include corporate induction, attendance on externally facilitated training and internal development. The induction session incorporated an overview of the

statutory role of governors and how the Trust works with governors to fulfil their statutory role, and a formal induction pack has been produced to support new governors.

The Trust will continue to work with the governors during 2024/25 to review and enhance the induction programme and to support them in their role including their key role in membership and engagement.

Members of the Trust

Our members play a vital role in influencing the way we serve our local communities, and we are committed to ensuring that our membership is representative of the population we serve. We currently have 8,010 public members and 6,844 staff members.

Members support the Trust in a variety of ways, including:

- voting in governor elections
- acting as a measure of public opinion about our plans
- volunteering.

The Trust welcomes members from the age of 11 and they are eligible to stand in an election to become a governor from the age of 16.

The public constituency divided into 13 geographical areas, and is divided as below.

Constituency - Public members	8,010
Bebington and Clatterbridge	611
Bidston & Cloughton	677
Birkenhead, Tranmere & Rock Ferry	622
Bromborough and Eastham	489
Greasby, Frankby, Irby, Upton & Woodchurch	959
Heswall, Pensby & Thingwall	506
Leasowe, Moreton & Saughall Massie	652
Liscard & Seacombe	682
Neston & Burton	420
New Brighton & Wallasey	662
North West and North Wales	409
Oxton & Prenton	628
West Wirral	693

Our staff membership is open to anyone employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months; or has been continuously employed for at least 12 months. Staff members are automatically recruited and may 'opt out' on request, though to date, no members of staff have opted out of membership.

The classes within the staff constituency are as follows:

- registered medical practitioners and registered dentists
- registered nurses and registered midwives
- other healthcare professional staff
- other Trust staff.

Our Annual Members’ Meeting took place on 18th October 2023, and the Trust was pleased to hold this session in person. The event included a marketplace with a number of exhibitions from internal services and external partners, and was well attended. The presentations are available on the Trust website.

Membership strategy

We believe that our membership makes a real contribution to improving the health of our communities. Our emphasis is to ensure good representation across our communities and encouraging an active and engaged membership. We intend to target recruitment activity towards under-represented groups within the communities we serve.

The Trust continues to develop its membership scheme as an integral part of its vision to be a leading provider of outstanding care. The Council of Governors approved the Membership Strategy in October 2022 and has begun initiatives to develop a representative membership scheme with effective mechanisms for supporting engagement with governors and members. This work will continue to be progressed in 2024/25.

Membership profile

Membership size and movements		
Public constituency	2022/23	2023/24
At year start (1 st April)	8,339	8,178
New members	31	12
Members leaving	192	180
At year end (31 st March)	8,178	8010
Staff constituency	2022/23	2023/24
At year start (1 st April)	6,643	6753
New members	1115	942

Members leaving	1005	851
At year end (31 st March)	6753	6844

Any member who wishes to communicate with governors and / or directors should contact the Trust Secretary at:

Executives' Offices,
Wirral University Teaching Hospital NHS Foundation Trust,
Arrowe Park Hospital,
Arrowe Park Road,
Upton, Wirral,
CH49 5PE
☎ 0800 0121 356 or email wuth.trustsecretary@nhs.net

There are no material inconsistencies between the annual governance statement, the corporate governance statement, the annual report and reports arising from CQC planned and responsive reviews of the Trust and any consequent action plans developed by the Trust.

HM Treasury cost allocation and charging guidance

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Policy on the payment of suppliers

It is the Trust's policy to follow the Better Payment Practice Code (BPPC), which gives NHS organisations a target of paying 95% of invoices within 30 calendar days of the receipt of either goods or a valid invoice (whichever is later), unless other payment terms have been agreed. The Trust's performance in 2023/24 on the *Better Payment Practice Code (BPPC)* targets is disclosed within the Directors' Report.

BPPC performance is shown below.

	2023/24		2022/23	
	Number	£000	Number	£000
Non-NHS				
Trade invoices paid in the period	82,684	307,232	86,495	303,169
Trade invoices paid within target	76,586	292,887	82,705	290,298
Percentage of trade invoices paid within target	92.4%	95.3%	95.6%	95.8%
NHS				
Trade invoices paid in the period	3,535	52,242	3,736	50,314
Trade invoices paid within target	3,157	48,803	3,350	47,582
Percentage of trade invoices paid within target	89.3%	93.4%	89.7%	94.6%
Total				
Total invoices paid in the period	86,399	359,474	90,231	353,483
Total invoices paid within target	79,743	341,690	86,055	337,880
Percentage of invoices paid within target	92.3%	95.1%	95.4%	95.6%

The Trust met the overall combined target, achieving 95.1%. However, the target for the payment by volume of invoices was not achieved for Non-NHS or NHS (92.4% and 89.3% respectively) and payment by value was met for Non-NHS but not NHS (95.3% and 93.4% respectively).

There were no payments of interest in 2023/24 or 2022/23 under the Late Payment of Commercial Debts (Interest) Act 1998.

Political donations

The Trust did not make or receive any political donations during the reporting period or in the previous financial year.

Fees and charges (income generation)

During the year, the Trust received income in relation to fees charged for car parking and catering, against which costs were incurred, and the full cost exceeded £1 million.

Totals relating to these arrangements are disclosed in the table (below):

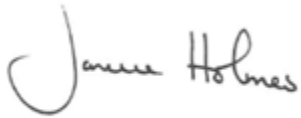
	2023/24	2022/23
	£000	£000
Income	4,640	2,191
Full Cost	(1,888)	(2,227)
Surplus/(Deficit)	2,752	(36)

The figures above represent income and cost from car parking and catering operations within the trust. In line with national guidance, car parking charges were reintroduced in 2022/23.

Statement of disclosure to auditors

Each of the Trust Directors (excluding those who have resigned during the financial year):

- is not aware of any relevant audit information of which the Trust's auditors are unaware
- has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

A handwritten signature in cursive script that reads "Janelle Holmes".

Janelle Holmes
Chief Executive

Date: 27 June 2024

Remuneration Report

This report to stakeholders:

- sets out the Trust's remuneration policy
- explains the policy under which the chair, executive directors and non-executive directors were remunerated for the period 1 April 2023 to 31 March 2024.
- sets out tables of information showing details of the salary and pension interest of all directors for the financial period 1 April 2023 to 31 March 2024.

Annual statement on remuneration

The Remuneration & Appointments Committee is a statutory committee of the Board of Directors. Membership of the committee comprises the chair and all non-executive directors.

Salaries for all directors are considered carefully on appointment and approved by the Remuneration & Appointments Committee. Steps are taken to ensure that remuneration is commensurate with an individual's experience and with reference to benchmarking data. The aim is to remunerate senior managers at a level sufficient to attract and retain whilst avoiding excessive payments.

Members of the Remuneration & Appointments Committee have no financial interest in the matters to be decided. The chief executive, chief people officer and director of corporate affairs normally attend meetings except where their own salaries or performance were discussed. The Committee met five times during the year to:

- consider the outcomes of the executive directors' annual appraisals and to discuss their performance in post;
- agree that very senior managers (VSMs) would receive the 5% annual VSM pay award, in line with recommendations from ministers and agree that the 0.5% discretionary pay award would not be awarded to very senior managers due to the criteria for that award not being met (found in the *Annual pay increase recommendation for very senior managers (VSMs)* letter, issued by NHS England) ;
- confirm the resignation of the Chief Nurse and agree a process for recruitment;
- close the Executive car scheme and agree a process for those individuals currently using that scheme;
- confirm the appointment of the Chief Nurse; and
- approve an uplift to the salary of the CEO.

The Chair of the Committee confirms that the agreement of the 5% annual pay award, the change in the car allowance scheme, and the pay uplift for the CEO were the major decisions and/or substantial changes to senior manager remuneration in year.

The Trust had two senior managers whose salary was above the threshold of £150,000. In determining the salary levels, the Trust has taken into account the market rates for equivalent roles, its ability to secure the skills it requires and the risks posed in not recruiting to these positions.

The Remuneration and Appointments Committee also ensures that it adheres to the Trust’s Equality, Diversity, and Inclusion policy, and that all appointments, recruitment, and remuneration decisions have regard to this and the delivery of the Trust’s overarching objectives and strategy.

Attendance at Remuneration and Appointments Committee in 2023/24.

	Meeting Attendance Actual / Possible
Sir David Henshaw, Chair	5/5
Sue Lorimer	3/5
Chris Clarkson	5/5
Steve Igoe	4/5
Steve Ryan	5/5
Lesley Davies	3/5
Rajan Madhok	2/5
Janelle Holmes	3/5*

**Janelle Holmes was not able to attend two meetings due to conflicts of interest*

Senior managers’ remuneration policy

Element	Purpose and strategy	Operation	Maximum
Salary	To attract and retain high calibre individuals and reflect level of responsibility	All the executive directors are remunerated based on a local VSM scale system which is reviewed regularly by the Remuneration and Appointments Committee.	Change to basic salary is usually enacted as a percentage increase in line with national Agenda for Change pay arrangements, to ensure parity across the Trust in line with guidance from NHS England.
Taxable Benefits	To attract and retain high calibre individuals	This covers a vehicle scheme. Closed to new entrants in year, and existing staff will be transitioned out as leases are renewed.	£4000
Pension Related Benefits	To attract and retain high calibre individuals	Directors are eligible for membership of the NHS pension scheme	In line with the NHS Pension Scheme.

Service contract obligations

Appointments to executive director positions are made in open competition and can only be terminated by resolution of the Board other than in cases of normal resignation. Directors hold permanent contracts with a standard six-month period of notice. Non-executive directors are

appointed for a period of three years and can only be removed in accordance with NHS England's Code of Governance and the provisions of the Trust's constitution.

Loss of office

All contracts for executive directors are substantive NHS contracts and are subject to the giving of six months' notice by either party. The Trust's normal disciplinary policies apply to executive directors, including the sanction of summary dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff. In the eventuality of a senior manager's loss of office, any individual payment that is deemed appropriate must be approved by the Remuneration and Appointments Committee. There were no loss of office payments in the current year.

Council of Governors' Nomination Committee

Under the Trust's Constitution it is the responsibility of the Council of Governors to appoint and remove the chair and the non-executive directors of the Trust and to determine their remuneration. The Council of Governors' Nomination Committee is responsible for making recommendations to the Council of Governors for appointment. Removal of the chair or a non-executive director requires the approval of three quarters of the members of the Council of Governors voting in person at the meeting.

Appointment of a Non-Executive (including the Chair) includes a rigorous recruitment process, generally commencing with the contract

The Committee met four times during the year. Key business transacted is as follows:

- Approval of the appraisal process for 2023/24;
- Approval of 12 month tenure extensions for Sue Lorimer and Chris Clarkson;
- Approval of the 2nd 3 year term for Steve Ryan;
- Consideration of the appraisal forms of the NEDs, as carried out by the Chair, and the appraisal of the Chair, as carried out by the SID (The Chair was not present for the discussion of his appraisal);
- Approval of the statement of composition for the Board;
- Agreement of a succession plan for the Board; and
- Approval of the Board Effectiveness policy.

Nomination Committee membership and attendance 2023/24

Name	Role	Meeting attendance actual/possible
Sir David Henshaw	Chair	4/4
Steve Igoe	Senior Independent Director	3/4
Eileen Hume	Deputy Lead Governor (Public)	4/4
Anand Kamalanathan	Staff Governor	2/4
Sheila Hillhouse	Lead Governor	2/2

*From September 2023		
Robert Thompson *From September 2023	Public Governor	2/2
Gary Bennett *From September 2023	Appointed Governor (Council)	2/2
Steve Evans *To September 2023	Public Governor	2/2
Andrew Tallents *To September 2023	Public Governor	0/2

Appointment of Non Executive Directors

Whilst no Non-Executive Directors were appointed in year, there is a general process followed. The process commences with the identification of a tenure expiry, or an expression from a NED of their desire to resign. The Nominations Committee is informed, and provided with an overview of the process to be followed for their approval. If approved, the Trust will then appoint a recruitment consultant and together, create a candidate pack based on the key skills gap that will be left by that NED's departure from the Board. A recruitment process will commence, with the Nominations Committee involved in the process to review the candidate pack, to participate in shortlisting, and finally to act as the interview panel. Following interviews, the Committee selects a candidate, and sends a recommendation for approval to the Council of Governors.

Annual report on remuneration

Directors' and governors' expenses

Expenses paid to directors and governors include all business expenses arising from the normal course of business of the Trust and are paid in accordance with Trust policy. The total amount of expenses reimbursed to three executive directors during the year was £614 (three directors £2,167 in 22/23). In 2023/24 14 directors and non-executive directors held office (16 in 2022/23).

£232 expenses were reimbursed to governors during the year (£104 2022/23). 22 governors held office in 2022/23 (20 in 22/23).

Remuneration disclosures which are subject to audit

The following disclosures up to and including *Hutton review of fair pay* are subject to audit.

Salaries and benefits of senior managers

	2023/24				2022/23			
	Salary & fees (in bands of £5,000)	Taxable benefits (to the nearest £100)	Pension-related benefits (in bands of £2,500)	Total (in bands of £5,000)	Salary & fees (in bands of £5,000)	Taxable benefits (to the nearest £100)	Pension-related benefits (in bands of £2,500)	Total (in bands of £5,000)
Janelle Holmes Chief Executive	190 - 195	5,500	0	195 - 200	180 - 185	5,500	105 - 107.5	290 - 295
Dr Nicola Stevenson ¹ Medical Director	240 - 245	0	0	240 - 245	210 - 215	0	130 - 132.5	345 - 350
Tracy Fennell Chief Nurse (to 18 December 2023)	90 - 95	0	0	90 - 95	115 - 120	0	102.5 - 105	220 - 225
Mark Chidgey Chief Finance Officer (from June 2022)	145 - 150	0	0	145 - 150	105 - 110	0	135 - 137.5	245 - 250
Robbie Chapman ² Interim Chief Finance Officer (to May 2022)	n/a	n/a	n/a	n/a	15 - 20	0	2.5 - 5	15 - 20
Hayley Kendall Chief Operating Officer	135 - 140	4,000	30 - 32.5	170 - 175	115 - 120	4,000	32.5 - 35	155 - 160
Debs Smith Chief People Officer	120 - 125	4,000	102.5 - 105	225 - 230	110 - 115	4,000	60 - 62.5	175 - 180
Matthew Swanborough Director of Strategy and Partnership	135 - 140	4,000	37.5 - 40	175 - 180	125 - 130	4,000	32.5 - 35	165 - 170
Sir David Henshaw Chairman	50 - 55	0	n/a	50 - 55	50 - 55	0	n/a	50 - 55
Christopher Clarkson Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Steve Igoe Non-Executive Director	15 - 20	0	n/a	15 - 20	15 - 20	0	n/a	15 - 20
Susan Lorimer Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
John Sullivan ³ Non-Executive Director (to June 2022)	n/a	n/a	n/a	n/a	0 - 5	0	n/a	0 - 5
Steve Ryan Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Lesley Davies Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Rajan Madhok Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15

¹ The element of the Medical Director's remuneration above includes both remuneration for their management role as Medical Director, and remuneration for their clinical role as a Consultant Respiratory Physician. The element included which relates to their clinical role is in the range £110k-£115k

² For comparative purposes only

³ For comparative purposes only

Unless otherwise indicated, all of the listed senior managers were in post for the twelve-month period to 31 March 2024. The tables include remuneration only for the period during which each individual was deemed to be a senior manager and includes remuneration for duties that are not specifically part of the senior management role. (Please note that last year's comparatives exclude the salary sacrifice arrangements for those Executive Directors in the car scheme, which has now closed to new entrants.)

The element of the Medical Director's remuneration above includes both remuneration for their management role as Medical Director, and remuneration for their clinical role as a Consultant Respiratory Physician. The element included which relates to their clinical role is in the range £110k - £115k.

Taxable benefits relate to a vehicle scheme which forms part of some executives' remuneration. No annual performance-related bonuses or long-term performance-related bonuses were paid during the period.

Pension-related benefits represent the value of pension benefits accrued during the year and are calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. The value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table below provides further information on the pension benefits accruing to the individual.

Pension benefits of senior managers

	2023/24					2022/23								
	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at 31 March 2024 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £000)	Cash equivalent transfer value (CETV) at 1 April 2023 (to the nearest £1,000) £000	Real increase in CETV (to the nearest £1,000)	CETV at 31 March 2024 (to the nearest £1,000)	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at 31 March 2023 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £000)	Cash equivalent transfer value (CETV) at 1 April 2022 (to the nearest £1,000) £000	Real increase in CETV (to the nearest £1,000)	CETV at 31 March 2023 (to the nearest £1,000)
Janelle Holmes Chief Executive	0	7.5 - 10	70 - 75	195 - 200	1,386	142	1,705	5 - 7.5	7.5 - 10	65 - 70	165 - 170	1,223	110	1,386
Dr Nicola Stevenson ¹ Medical Director	0	0	0	0	1,454	0	0	7.5 - 10	10 - 12.5	75 - 80	160 - 165	1,255	124	1,454
Tracy Fennell ² Interim Chief Nurse (from October 2021 to December 2023)	0	17.5 - 20	40 - 45	110 - 115	691	115	938	5 - 7.5	7.5 - 10	35 - 40	75 - 80	565	92	691
Mark Chidgey Interim Chief Finance Officer (from June 2022)	0	27.5 - 30	50 - 55	145 - 150	1,014	137	1,271	5 - 7.5	12.5 - 15	50 - 55	105 - 110	813	131	1,014
Robbie Chapman ³ Interim Chief Finance Officer (to May 2022)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0 - 2.5	0	0 - 5	0	25	1	42
Hayley Kendall Chief Operating Officer	0 - 2.5	0	5 - 10	0	30	20	69	0 - 2.5	0	0 - 5	0	6	8	30
Debs Smith Chief People Officer	5 - 7.5	0	25 - 30	0	178	135	347	2.5 - 5	0	15 - 20	0	134	24	178
Matthew Swanborough Director of Strategy and Partnerships	2.5 - 5	0	20 - 25	0	173	62	270	2.5 - 5	0	15 - 20	0	140	11	173

¹ Officer chose not to be covered by the pension arrangements during the reporting year

² Details only available until December 23. Officer is no longer a senior manager

³ Prior year figures only, officer is no longer a senior manager

Non-Executive Directors do not receive pensionable remuneration. Other directors disclosed in the *Salaries and benefits* table, who do not appear in the *Pensions benefits* table, are not in receipt of workplace pension benefits. All pension benefits relate to the NHS Pension Scheme.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to pension benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

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

Hutton review of fair pay

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. In line with the previous disclosures, the amounts disclosed in the current year include March 2024 average annualised amounts for bank and agency staff as at March.

The banded remuneration of the highest-paid director (Medical Director) in the organisation in the financial year 2023/2024 was £240k-£245K (2022/2023, £210k to £215k).

Total remuneration includes salary, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. There was no performance related pay and therefore this is not included. Nineteen employees received remuneration in excess of the highest-paid director in 2023-24. These employees were all medical staff and their pay figures were calculated on the basis of March 2024 annualised full-time equivalent salary. This calculation methodology is consistent with that used in 2022/23 and 2021/22.

For employees of the Trust as a whole, the range of remuneration in 2023/24 was from £0 to £339k (2022/2023 £0k to £358k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 6.94%. The salary of £0k reflects those staff on extended unpaid leave and also those in receipt of prior month adjustments, reducing their salary to this amount.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2023/24	25th Percentile £000 Percentile	Median £000	75th Percentile £000 Percentile
Salary component of pay			
Total Pay and benefits excluding Pension Benefits	25.1	34.6	46.0
Pay & Benefits, excluding pension for highest paid director	240 - 245		
Pay ratio for highest paid director	9.7	7.0	5.3

2022/23	25th Percentile	Median	75th Percentile
Salary component of pay			
Total Pay and benefits excluding Pension Benefits	23.9	32.3	43.3
Pay & Benefits, excluding pension for highest paid director	210 - 215		
Pay ratio for highest paid director	9.0	6.6	4.9



Janelle Holmes
Chief Executive

Date: 27 June 2024

Staff Report

The Trust's employees

The number of whole-time equivalents (WTE) employed by the Trust as at March 2024 was 5,706.58 WTE and the total number of employees (headcount) were 6,844. The following table provides a more detailed breakdown of our employees by WTE and headcount for 2023/24 (as at March 2024). This is broken down by the number of male and female employees and by staffing groups.

Staff Group	Female		Male		Total WTE	Total Headcount
	WTE	Headcount	WTE	Headcount		
Add Prof Scientific and Technic	155.09	174	28.28	32	183.37	206
Additional Clinical Services	899.49	1108	196.17	213	1095.66	1321
Administrative and Clerical	789.58	914	260.69	272	1050.27	1186
Allied Health Professionals	291.54	358	100.37	108	391.91	466
Estates and Ancillary	387.25	701	266.18	332	653.43	1033
Healthcare Scientists	92.93	107	42.67	44	135.60	151
Medical and Dental	241.43	275	282.70	310	524.13	585
Nursing and Midwifery Registered	1512.75	1725	159.46	171	1672.21	1896
Grand Total	4370.06	5362	1336.52	1482	5706.58	6844

	Female	Male	Total
Board of Directors	6	8	14
Other Senior Managers	276	99	375
Consultants	119	193	312
Other Staff	4961	1182	6143

2023/24 Table

Employee category	Permanently employed	Other	2023/24 Total	Permanently employed	Other	2022/23 Total
Medical and dental	689	122	811	690	52	742
Administration & estates	1,591	29	1,620	978	21	999
Healthcare assistants and other support staff	1,204	156	1,360	1,837	192	2,029
Nursing, midwifery and health visiting staff	1,675	137	1,812	1,632	150	1,782
Scientific, therapeutic and technical staff	559	17	576	567	18	585
Healthcare science staff	132	6	138	130	2	132
Other	7	-	7	7	-	7
Total average staff numbers	5,857	467	6,324	5,841	435	6,276

of which

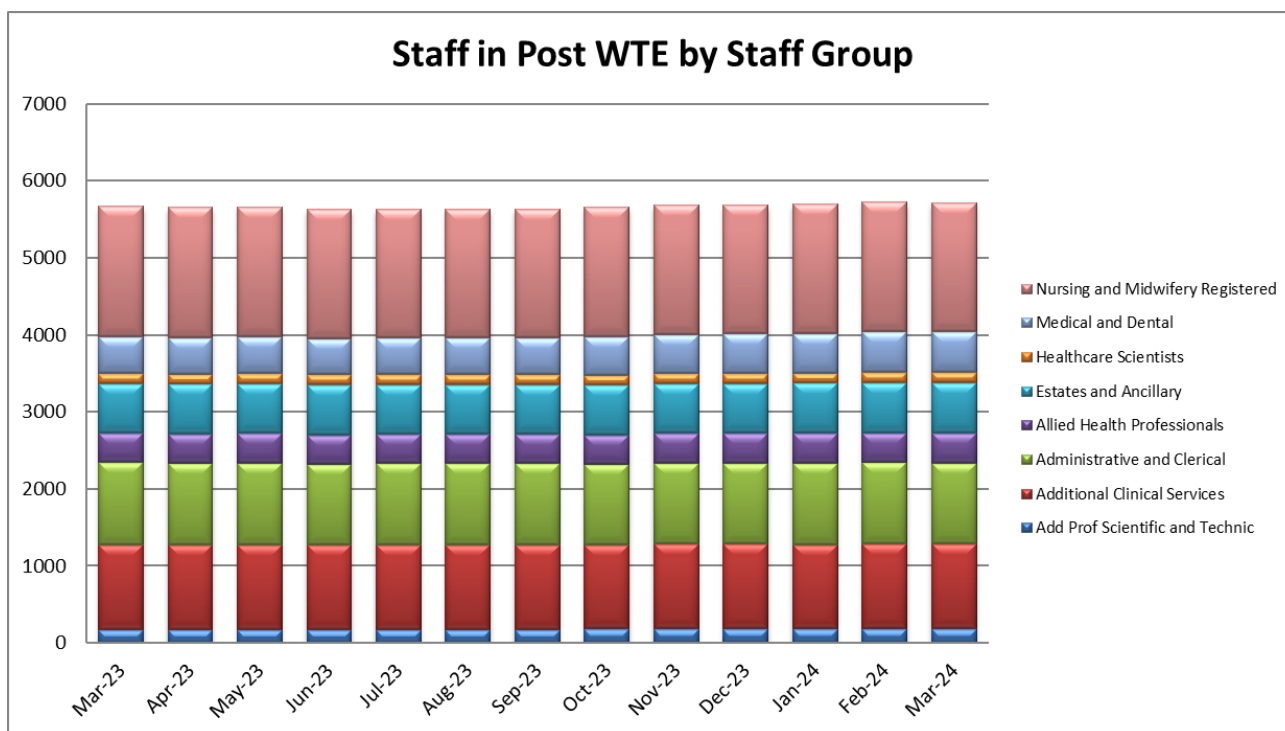
Number of employees engaged on capital projects	7	-		7	-	7
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(Table above subject to audit)

The average number of employees is calculated as the whole-time equivalent number of employees under contract of service in each week of the financial year, divided by the number of weeks in the financial year. Staff on external secondment are not included in the table above.

The 'other' category (column) in the above table represents agency and contract staff and bank staff.

The 'other' category (row) in the above tables includes non-executive directors and engagements without a permanent employment contract, including agency / temporary staffing and inward secondments from other organisations.



The Trust has a total vacancy rate of 6.02%. For our nursing staff it is 3.92% and for our medical and dental workforce 4.27% (including Lead Employer Junior Doctors). However, for consultant medical staff we have a vacancy rate of 8.31%. The Trust is committed to reducing vacancy rates with a focus on recruitment and retention initiatives.

Other salaries and wages costs include payments to St Helens and Knowsley NHS Trust as the lead employer for our junior doctors and external bank staff (Table below subject to audit).

2023/24

	Permanently employed	Other	2023/24 Total	Permanently employed	Other	2022/23 Total
Salaries and wages	232,497	13,888	246,385	229,391	13,594	242,985
Social security costs	26,687	-	26,687	25,575	-	25,575
Apprenticeship levy	1,289	-	1,289	1,278	-	1,278
Employer's contributions to the NHS Pension Scheme	41,237	-	41,237	39,062	-	39,062
Employer's contributions to the National Employment Savings Scheme (NEST)	551	-	551	684	-	684
Bank and agency staff	-	40,837	40,837	-	36,200	36,200
Total pay costs	302,261	54,725	356,986	295,990	49,794	345,784

Staff policies and actions applied during the financial year

The Trust's Workforce Policies and Procedures continue to be subject to regular review and update as per the review cycle as defined by the Trust's agreed governance procedures. During the previous financial year, there continues to be an improved position in terms of the outstanding Workforce policies in need of update and review. This is due to a combination of an improved governance approval process and a designated HR lead for continued oversight. Additionally, there has been a renewed emphasis of the importance of ensuring timely policy reviews with a realistic estimated approval date mapped against the required governance meetings.

All policies are subject to standard corporate documentation which includes the requirement for a robust equality impact assessment against all protected characteristics at the start of the approval process. This is to ensure that the needs of disabled staff will be given additional consideration in the development of any policies. The policy template has also been developed for ease of reference and for standardisation. All Workforce policies are primarily discussed in Partnership at the monthly Policy, Pay Terms & Conditions meeting which is followed by the bi-monthly Partnership Steering Group meeting. Final ratification is achieved at Workforce Steering Board prior to any policies becoming operational and accessible through the Trust's intranet site.

Policy reviews are determined by the review cycle which is managed via the Trust policy directory. Reviews can also be initiated if the terms are superseded by new and emerging legislation, best practice, lessons learnt, Agenda for Change developments or any other national recommendations received.

The main highlights during the last financial year are the introduction of the Fairness at Work policy which replaced the Trust Grievance Procedure. The new policy focusses on resolving fairness at work issues through honest and open methods. This is in line with Just & Learning culture which includes

encouraging both staff and managers to regularly talking through concerns to establish solutions. It also encourages informal approaches including training, support, and mediation. Similarly, the Bullying & Harassment policy has been updated with more emphasis on Respect at Work and creating a respectful workplace. This policy has again been reviewed in line with Just & Learning culture with a focus on local, informal resolutions. The Fairness at Work and Respect at Work policies will be subject to further external review with Employment Law specialists. Formal facilitated discussions underpin both policies and formal training sessions have been developed to supplement the introduction.

There have been recent changes to Agenda for Change terms and conditions with respect of contractual rights of flexible working. This has led to significant changes to the Trust's Flexible Working Policy and the policy has been formally ratified in the last financial year. The policy content has been developed in line with the NHS People Promise to move towards having flexibility by default. The policy outlines the new provisions for staff to make a formal request from Day 1 of employment and are able to make multiple requests regardless of the reason. The application process was reviewed to ensure it concludes within 3 months and there is opportunity for appeal.

Further highlights include an update to the Trust's Retirement Procedure to include changes to national Pensions Agency regulations with respect to improved flexible retirement options available to staff. This is in recognition of the ongoing need to retain specialised skills and knowledge within the workforce. Staff now have the option to partially draw down their benefits without the need for a break in service. The policy features an updated application process for staff to access. The new Attendance Management policy has also been approved to support a culture of well-being and outlines the appropriate management support. The new policy provides an equitable, consistent, and sensitive approach to the management of sickness absence. It emphasises the obligation to implement early reasonable adjustments for staff who have long term health conditions.

The priority for the forthcoming financial year is to focus on the development of the National People policy framework. This is a framework which for policies which are staff-centric, short, simple and easy to read, inclusive, in line with best practice and aligned to the People Promise. The framework establishes minimum expectations. The first two policies to be introduced are Flexible Working and the new national Pregnancy and Baby Loss policies.

HR and Staff Side continue to have a positive working relationship and meet regularly through various partnership forums creating opportunity for trade union representatives to negotiate on behalf of their members through collective bargaining. Divisional Staff Side Meetings are also embedded to informally address local matters. There are also monthly HR and Staff Side Partnership Meetings and bi-monthly HR Policy Pay Terms and Conditions Meetings. More formal / strategic matters are collectively considered by the Partnership Steering Group, which is chaired on a rotational basis between the Chief People Officer and Staff Side Chair. These are designed to develop a culture of conversation and engagement to enable Staff Side to openly raise concerns and encourage early resolution to issues before escalation in line with our formal policies and procedures. The Partnership forums are well attended with healthy engagement.

Freedom to speak up (FTSU)

The Trust continues work to positively influence its culture in which speaking up is regarded as usual to affect cultural change in line with recommendations and guidance from the National Guardian's Office (NGO). The Chief People Officer is the Trust's executive lead for FTSU matters, along with Steve Igoe, who is the non-executive lead. There has been significant investment in the role of the FTSU Guardian with a new full time Guardian appointed in February 2023.

The FTSU Lead Guardian is supported by two existing guardians in the Trust along with a network of 26 trained FTSU Champions, whose role is to work within their service areas, promoting and encouraging staff to speak up and signposting to FTSU Guardians where appropriate. Where a member of staff does not feel able to speak up through the normal management channels, they are encouraged to contact a FTSU Guardian and will also be signposted to relevant support services as necessary.

The profile of the FTSU Guardian in the Trust remains prominent and a variety of Trust wide communication mechanisms are utilised to promote the importance of speaking up and the support available, including leaflets, pull up banners and articles within the Trust's In-Touch magazine. Guardians form part of the staff induction process (including junior doctors) and FTSU training is now required for all staff at a level appropriate for their role, with compliance continuing to increase and subject to standard Trust monitoring processes. Guardians conduct walkabouts within areas to heighten visibility and are linked to departmental cultural reviews as additional support.

The Trust continues to record and monitor data on the number of people who have spoken up to FTSU guardians and the themes of their concerns. Regular reports are considered through the workforce governance structure and up to the Board of Directors. The Trust continues to be proactive with the development and delivery of training to support staff raising concerns. The Trust has successfully rolled out the National Guardian's Office (NGO) e-learning programme with levels 1 and 2; with 85.07% of staff having completed level 1 and 90.10% level 2. A level 3 programme has now been released nationally and work has commenced to align this to senior leader role; this package will launch in April 2024.

Staff can access FTSU Guardians anonymously; although this can prevent effective management of the circumstances (due to insufficient information) and does prevent feedback and support to the individuals concerned. The Trust continues to see low numbers of anonymous concerns raised with only 3 received in 2023/24, which, combined with positive levels of people speaking up, can be a good indication that staff continue to feel confident in approaching FTSU Guardians or local management teams.

The Trust has seen an increase in the number of people speaking up this year with 104 people speaking up in 2023/24 as opposed to 90 people in 2022/23. This increase is seen as positive, and data now falls more in line with regional and national averages. Our data shows that people accessing the speak up service are across all Divisions and a range of occupational groups.

Policies, procedures, and process is the most reported theme with only 1 concern linked with patient safety, compared to 9 last year. Numbers of staff speaking up regarding patient safety have therefore reduced and although low, this is reflected by other Trusts in our region. Effective incident reporting processes continue to capture patient safety concerns and further promotion of the FTSU service and enhanced engagement with clinical staff will be undertaken for 2024/25.

The Trust recognises the need to link with the diversity and inclusion agenda and to further encourage staff who share protected characteristics to speak up. We are therefore proud to have four FTSU champions across all of our staff networks.

Merseyside Internal Audit Authority (MIAA) undertook an audit of FTSU in September 2023. The audit reviewed implementation of policy, process, promotion of the service and alignment to national procedures and regulation. The audit findings were 'Substantial Assurance'.

Staff turnover

The Trust has a target of ensuring turnover of staff is no more than 10%. This equates to a maximum rate of 0.83% monthly. The in-month turnover rate based on March 2024 data is 0.79%. The rolling turnover for March 2024 is 10.95%, which is above target. However, the rolling turnover rate based on March 2023 is 14.20%. Therefore, there has been a significant improvement in year.

As per the Trust's People Strategy 2022-26 under the principle 'Shaping our future' there is a multi-year programme of work in place to improve retention across the workforce as retaining and supporting our people is a key priority.

A Strategic Trust wide Retention Group is in place with associated Task and Finish Groups for the four staff groups (AHP's Clinical Scientists & Pharmacy, Nurses, Midwifery & Health Care Support Workers (HCSW), Medical & Dental and Corporate) which provide mechanisms to gain insight into practices relating to retention and identify areas of improvement through the implementation of the agreed delivery plan and intelligence led action. Some examples of the work / high impact actions include:

- Exploration of proposal to change list of values for leavers on ESR via NHS Digital and HR Deputies Network
- Modernising the Exit Survey to move from paper-based to digital with a view to increasing uptake and aligned to leaver notifications; this move will also centralise data to allow for accurate and qualitative reporting.
- Introduction of 'Stay Conversations' and 'Career Clinics' to improve organisational understanding and improve retention. Ensuring our people feel valued and have the opportunity to develop in their career is crucial to retention.
- Annual retention Self-Assessment Tool initially completed by N&M and HCSW staff Groups, now extended to AHPs and Corporate Staff.

- Promotion of existing Trust reward and recognition schemes including Shout Outs, e-Cards, Together Awards, value postcards etc.
- New local recognition initiatives including 'Thank you Thursday', Employee of the Quarter, 'Hug in a Mug' etc
- Showcasing of Career Pathways in particular in Pharmacy and Service Improvement to encourage and inspire career development and for staff to achieve their individual ambitions in the workplace.
- Project completed with Cheshire and Mersey re the Aspirant Band 6 RN role.
- Work continues to experience the benefits of CSW Buddies to improve the early experience of CSWs coupled with the 'ward walks' undertaken by the Pastoral Support Assistant to support new CSW staff and make their first few weeks and months a more positive experience and improve retention by ensuring they feel supported.

The Strategic Trust Wide Retention Group has adopted a partnership working approach and includes representation from Staff Side colleagues and engagement with our Staff Networks. This strategic workstream also complements the NHS People Promise and draws on best practice and learning from the national retention programme ensuring that the Trust is an employer of choice, working together to improve the experience for everyone.

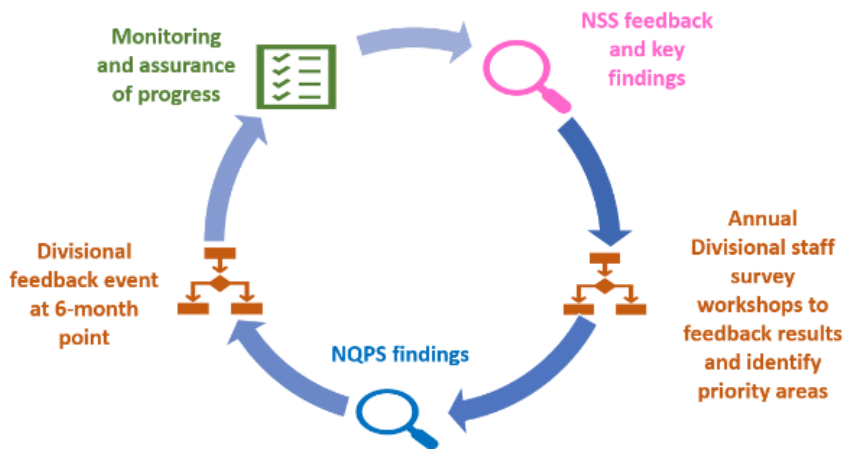
There are also other key programmes of activity within the People Strategy Delivery Plan that will also help minimise turnover these include delivery of the Year 3 programme of work to improve the Trust's flexible working offer, implementation the Perfect Start, implementation of our Engagement Framework and the extensive work on the strategic workforce planning and controls programme.

Turnover is also a Key Performance Indicator (KPI) for the Trust and is monitored and actioned at a divisional level via Divisional Performance Reviews with specific actions in place according to the local feedback and at a Trust wide level via the workforce governance structure. The HR Business Partners are currently working with the OD Team and co-facilitating divisional events that will engage staff and managers to understand how the staff survey results (which averaged 38% participation) reflect the culture of the organisation and ensure that we that we align this with our plans for 2024/25 to ensure this has a positive impact on turnover.

The survey response rate has dropped by 10% since 2022/2023. A workforce engagement plan has been created by the OD team and its implementation will be supported by HR Business Partners. The aim is to measure our Employee Experience through the use of the Annual National Staff Survey (NSS) and National Quarterly Pulse Survey (NQPS).

Through review of current processes and engagement with Divisional leads to inform plans, an annual cycle for gathering Employee experience will be developed and implemented. The Employee Experience engagement cycle will not only measure our staffs experience on a regular and continuous basis but will be used to shape both annual plans and enabling strategies and support divisional and Trust leaders in proactively addressing staff feedback in a timelier way that is not possible through an annual survey alone. This is depicted in in the diagram below.

Employee Experience Measurement Cycle



Where we have areas of high turnover we specifically probe to seek and understand what is causing this and what measures / evidence-based interventions can be considered to improve the situation. The Trust has significantly improved development opportunities and continue to roll these out for staff to access across the organisation.

The Trust remains committed to the Leadership Qualities framework and subsequent development offer for all, and coaching and mentoring training continues to be promoted across the organisation.

The Trust continues to develop consistent workforce approaches and responses for staffing, recruitment and employment issues and linking in with wider partners and agencies to optimise routes to employment.

The Trust has also been highly successful in reducing the number of HCSW vacancies, this is particularly reassuring given the national picture, and the Trust remains focused on the retention of this staff group.

Information on staff turnover is published by NHS Digital and available through the link below.

[NHS workforce statistics - NHS Digital](#)

Employee Engagement and Experience

The NHS Staff Survey, undertaken by independent external organisation, Picker Europe, took place between September and November 2023. The Trust applied a mixed mode of paper based and electronic (via email) surveys in order to maximise access and completion of survey.

This year saw a significant decrease in return rate with a 10% reduction from the 2022 to the 2023 survey. In 2023 2461 staff undertook the survey compared with 3,135 responses in 2022. This was 38% of eligible staff participation. Trust results were aligned to the Acute and Community & Acute sector for which 122 Trusts results were compared with an average sector response rate of 45%. The survey results were categorised against the national NHS People Promise.

The People Promise is now a thematic benchmark for which NHS Staff Survey is measured across the seven elements. It also measures two elements of the survey separately as it has in previous years, Engagement & Morale. NOTE: This is also congruent with the Trust’s People Strategy which acknowledges the requirements of the national NHS People Promise.

Overview of People Promise theme results and comparisons from 2022 to 2023 and any

*significant change:

People Promise elements	2022 score	2022 respondents	2023 score	2023 respondents	Statistically significant change?
We are compassionate and inclusive	7.21	3121	7.18	2448	Not significant
We are recognised and rewarded	5.66	3125	5.73	2445	Not significant
We each have a voice that counts	6.56	3094	6.51	2428	Not significant
We are safe and healthy	5.91	3090	5.90	2426	Not significant
We are always learning	5.27	2948	5.32	2275	Not significant
We work flexibly	5.84	3111	6.00	2430	Significantly higher
We are a team	6.54	3113	6.56	2441	Not significant
Themes					
Staff Engagement	6.69	3125	6.67	2448	Not significant
Morale	5.70	3126	5.70	2451	Not significant

**Statistical Significance is on the overall People Promise data and does not reflect statistical significance of individual questions*

Areas of focus for the forthcoming year are:

- Continued implementation of flexible working, targeting areas with lower uptake
- An increased focus upon race equality with actions taken to ensure WUTH is proactively anti-racist
- Launch monthly recognition schemes for individuals and teams and CEO Star Award
- Invest in physical intervention training for staff

The 2023 staff survey results will be used as one of a number of engagement diagnostics that enable ‘we each have a voice that counts’ in line with NHS People Promise. The Trust will continue to gather staff experience data throughout the year via a Quarterly Pulse Survey, which will further

inform plans and people activities. As outlined in the above section, the Trust implemented a bi-annual cycle of staff engagements events for each division. The purpose of which is to share results of surveys and engage staff in plans for improvement. The results of this year's survey will be used to shape the priorities for 2024/25 Trust wide plans including People Strategy delivery plan and will inform divisional improvement plans.

Trade union facility time disclosure

Facility time is time off from an individual's job, granted by the employer, to enable recognised representatives to carry out trade union role. In some cases, this can mean that the union representative is fully seconded into a union/staff side role, from their regular job, enabling them to work full time on trade union tasks.

Facility time covers duties carried out for the trade union or as a health and safety representative or union learning representative. In most cases this means, accompanying employees to disciplinary or grievance hearings, attending partnership working group meetings, joint local negotiating committee, assisting with job matching and consistency checking procedures under Agenda for Change processes. It also covers training received and duties carried out under the Health and Safety at Work Act 1974.

In accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017 which took effect on 1 April 2017 the table below has been collated and represents the main staff facility time afforded at WUTH in the year. There may be very small additional ad hoc time that has also been granted which is not quantifiable.

Number of employees who were recognised union officials during the financial year 2022-23	29
Number of recognised union officials in receipt of paid facility time during the financial year 2022-23	11
Whole Time Equivalent number of union officials providing facility time	3.1 wte
Percentage of full-time (i.e., 37.5 hrs per week spent on Union Duties:	
100%	1
51-99%	2
1-50%	4
0%	4
Total cost of facility time at WUTH	£81,884.55
Percentage of total substantive pay bill spent on union facility time	0.033%

Sickness absence

During the financial year 2023/24, the average attendance rate was 94.15%, a sickness absence rate of 5.85%. At the end of the financial year, the Trust reported in month sickness absence of 5.26% which was an improved position from the start of the financial year which reported 5.39%. The Trust has continued to manage attendance in line with the Attendance Management Policy ensuring this is monitored at departmental level and reported through to the People Committee and the Board.

The rolling position at the end of March 2024 was as follows:

	Absence FTE	Available FTE	Absence FTE % Rolling	Number of Absence Occurrences	Absence Estimated Cost
Acute Care Div	8,247.81	147,935.64	5.58%	1,025	880,247.05
Clinical Support Div	20,123.56	397,059.56	5.07%	1,991	2,228,170.72
Corporate Support Div	12,341.46	233,427.04	5.29%	895	1,292,085.15
Estates, Facilities & Capital Div	20,497.95	230,757.25	8.88%	1,812	1,393,701.28
Medicine Div	22,797.69	422,406.25	5.40%	2,463	2,058,206.64
Surgery Div	25,373.09	437,266.21	5.80%	2,542	2,648,243.24
Women and Children's Div	11,930.84	212,263.46	5.62%	1,184	1,391,645.44
Grand Total	121,324.41	2,082,948.41	5.82%	11,891	11,893,832.52

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Published by NHS Digital from ESR Data Warehouse		
Average FTE for 2023	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
5,686	75,548	2,075,460	122,555	13.3

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse. Period covered: January to December 2023

The Trust has reviewed and updated the Attendance Management Policy in partnership with Staff Side colleagues. This review has been undertaken in line with NHS England good practice guidelines

and changes have been made to strengthen the existing policy. The new version of the Policy went live on 1 March 2024 and is being rolled out across the Trust supported by a number of training sessions for managers in all areas.

Auditing of the management of attendance Trust wide has continued following the recommendations made by MIAA in February 2023. Each Division is audited on a monthly basis using the same criteria and provided with an audit score and overall feedback. Actions are often derived from the audits ensuring additional support is provided to managers where necessary and where compliance is lower than expected, a reaudit is scheduled.

Within the year there has been additional support implemented to improve employee wellbeing across the Trust in line with the NHS People Plan. The NHS People Plan sets out the ambition that every member of the NHS should have a health and wellbeing conversation with their line manager. After the trial of the Trust wide 'Wellbeing Conversations' during the last financial year (2022/23), this year wellbeing conversations have been embedded into the appraisal process. The Trust's annual appraisal process now includes a series of three "check-ins" throughout the year in addition to the annual appraisal. Whilst each check-in may have different themes, one is specifically tailored for wellbeing. The guidance for this check-in highlights that during these meetings managers should take a holistic approach to discussing wellbeing ensuring all aspects of health and wellbeing are considered. Whilst this new process launched this year, the recording of these check-ins will start during the 2024/25 financial year meaning the Trust will be in a position to report on compliance.

For the second-year additional supportive conversations were held across the year based on seasonal trends of employees who have particularly struggled to maintain attendance during these periods. The conversations and follow-up letters used during the Christmas period of the last financial year had a positive impact on the attendance of the identified staff and also on the managers' ability to manage sickness absence in line with the Policy. Given this, this exercise was repeated for both Christmas and Easter periods of this financial year and whilst it is too early to comment on Easter, data from the Christmas 2023 period shows an improvement in the identified staff.

It is appreciated that the periods of industrial action this financial year, particularly local action from Unison Clinical Support Workers has impacted on the Trust's ability to manage sickness absence in some areas during the winter period. This is due to a combination of the availability of the striking members to attend meetings and also the need for many managers to work clinically therefore minimising their management time.

Occupational Health and Workforce Wellbeing

The Occupational Health and Workforce Wellbeing service has continued to focus on core OH activities in addition to wellbeing initiatives, principally supporting attendance management, pre-employment medical screening, vaccinations, health surveillance, immunisations and extensive

workforce wellbeing support and reactional work in response to unforeseen events and restorative supervision.

The department has been instrumental in the implementation of support provisions and improvements in the areas of physical health, mental health, morale boosters and enabling resilience. The service have held clinically lead workshops which increased the understanding and offer strategies to improve the management of mental wellbeing. The service also offer additional bespoke workshops on low mood, social anxiety, post traumatic stress disorder and health anxiety.

The service continues to offer Wellbeing Surgeries quarterly with each focusing on a particular theme chosen by staff or determined to benefit our staff. The latest wellbeing surgery focused on supporting staff mental health. A variety of services were arranged to offer support and information both on site and via virtual sessions. Stall and drop-ins included the Trust's Employee Assistance Programme, the open door charity, Talking together Wirral, Involve North West and Reading groups in Wellbeing areas. These surgeries were designed to meet the needs of our staff group following feedback from wellbeing walkabouts during ongoing national and local industrial action.

Occupational Health Staff have had the opportunity to present at Trust induction, deliver sessions as part of the Trust's manager's online essentials training and Wirral Enhanced Preceptorship Programme to help managers to support staff. The policy for staff with long term conditions and with disabilities has been developed through working in partnership with the Workforce Disability Co-creation Group. The Menopause Staff Network is established and a fast-track service into a Consultant Gynaecologist is in place following triage.

The department co-ordinated the delivery of the Trust's Flu and Covid programme and achieved 54% which is average amongst similar organisations across the Cheshire & Mersey region. Occupational Health have also reviewed the measles immunity for all of our staff, WUTH is one of the few trusts who can report on all of its workforce not just front line workers as part of our Public Health duty.

Appraisal Check-in Conversations were launched across the Trust, in accordance with the NHS People Plan. To further support effective implementation, these have now been incorporated into the Trust's new Appraisal system, transitioning them into enhanced 'business as usual'.

The Occupational Health Department continues to complement the Trust's ambition for a proactive culture of wellbeing and demonstrates the importance placed on looking after the health and wellbeing of our people.

Expenditure on consultancy

Total expenditure on consultancy during 2023/24 was £0.2m (2022/23 £0.5m).

Off-payroll arrangements

The Trust is required to report on its highly paid and/or senior off-payroll engagements. The tables below meet the disclosure requirements.

Table 1: For all off-payroll engagements as of 31 March 2024, for more than £245 per day and that last for longer than six months.

Number of existing engagements as at 31 March 2024	75
Of which	
Number that have existed for less than one year at time of reporting	60
Number that have existed for between one year and two years at time of reporting	8
Number that have existed for between two years and three years at time of reporting	4
Number that have existed for between three years and four years at time of reporting	1
Number that have existed for between four or more years at time of reporting	2

The Trust has robust contractual agreements with agencies and intermediaries, through which it engages off-payment workers. These contracts confer an explicit obligation on the agencies to undertake an assessment and calculate and deduct tax.

Table 2: All new off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that lasted longer than six months.

Number of new engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024	0
Of which	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payment engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024.

Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the year	0
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year, including both off-payroll and on-payroll engagements	0

Exit packages

Foundation Trusts are required to disclose summary information of staff exit packages which have been agreed in the year. This section is subject to audit.

Exit package cost band (including any special payment element)	2023/24	2023/24	2023/24	2022/23	2022/23	2022/23
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
< £10,000	-	37	37	-	47	47
£10,001 - £25,000	-	-	-	1	2	3
£25,001 - £50,000	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
Total number of exit packages	-	37	37	1	49	50
Total resource cost (£000)	-	118	118	16	152	168

There were no compulsory redundancies in 2023/24 (1 case in 2022/23). There were 17 dismissals on ill health grounds and 11 dismissals on ill health grounds leading to ill health retirement.

Ongoing costs related to ill-health retirements are met by NHS Pensions and are not included in this disclosure. Remaining cases comprised a mix of voluntary redundancy and dismissals.

The following table details the number and value of non-compulsory exit packages agreed in the year. The expense associated with these departures may have been recognised in part or in full in a previous period.

	2023/24	2023/24	2022/23	2022/23
	Agreements	Total value of agreements	Agreements	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Contractual payments in lieu of notice	37	118	47	145
Exit payments following employment tribunals or court orders	-	-	3	7
Non-contractual payments requiring HMT approval	-	-	-	-
Total average staff numbers	37	118	50	152

A single exit package can be made up of several components, each of which will be counted separately in the above table, whereas the first table details individual departures.

Non-contractual exit packages require HM Treasury pre-approval. No such payments were made in 2023/24.

Gender pay gap

The Trust is required to publish gender pay gap information on an annual basis, identifying any difference between the average pay for men and women within Wirral University Teaching Hospital. Data is based on a snapshot date of 31 March each year (for the public sector) and is based on six calculations as required under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

Data as at 31 March 2024 identifies:

- The mean gender pay gap has continued to reduce since commencement of gender pay gap reporting and whilst the gender pay gap is still in favour of males, it has reduced this year to

19.4% from 21.2% last year. This is the lowest gap seen at Wirral University Teaching Hospital since the gender pay gap reporting commenced.

- The median gender pay gap has also significantly reduced this year from 7.3%, to 5.9% and results this year also identify a 0% median bonus pay gap for the first time since reporting commenced, reducing from 5.6% last year.
- The mean bonus pay gap has unfortunately however increased this year, from 16.4% to 21.1%, in favour of males.
- A 8.7% difference can be seen in the proportionality of bonus pay, with 10.47% of eligible males receiving bonus pay, compared with only 1.77% of females.
- 78.4% of WUTH staff are female, with lower levels of female employees within Consultant positions. The lowest ratio of female staff continues to be seen in the highest pay quartile.

2019 Government recommendations identify key areas that seek to reduce the gender pay gap and women's progression in the workplace. The Trust continues to implement its People Strategy and EDI Strategic commitment and to undertake activities to ensure WUTH creates an inclusive and welcoming environment, where everyone feels a sense of belonging and the diversity of our staff is valued, supported and celebrated and in turn, continues to improve our gender pay gap.

The Trust's gender pay gap report is available on the diversity and inclusion public section of the website.

NHS Foundation Trust Code of Governance Disclosures

NHSE revised its Code of Governance in October 2022 for adoption from April 2023. The table therefore provides compliance against this code, *the Code of governance for NHS provider trusts*.

As part of this compliance, NHS foundation trusts are required to provide a specific set of disclosures in their annual report to meet the requirements of the Code of Governance. Schedule A to the Code of Governance specifies everything that is required within these disclosures. Where the information is already contained within the annual report, a reference to its location is sufficient to avoid unnecessary duplication.

The information in the table below covers those items from Schedule A which require disclosure and which require a “comply or explain” approach. The table also includes requirements that are not part of the Code of Governance but which are required by the FT ARM.

Part of Schedule A	Code section	Summary of requirement	Trust Response
Disclose	A 2.1	The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	Included in the Overview of Performance and Performance Analysis.
Disclose	A 2.3	The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust’s vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board’s activities and any action taken, and the trust’s approach to investing in, rewarding and promoting the wellbeing of its workforce.	Included in the Performance Analysis and Staff Report.
Disclose	A 2.8	The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The board of directors should keep engagement mechanisms under review so	Included in the Overview of Performance.

		that they remain effective. The board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements.	
Disclose	B 2.6	<p>The board of directors should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director:</p> <ul style="list-style-type: none"> • has been an employee of the trust within the last two years • has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust • has received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme • has close family ties with any of the trust's advisers, directors or senior employees • holds cross-directorships or has significant links with other directors through involvement with other companies or bodies • has served on the trust board for more than six years from the date of their first appointment • is an appointed representative of the trust's university medical or dental school. <p>Where any of these or other relevant circumstances apply, and the board of directors nonetheless considers that the non-executive director is independent, it needs to be clearly explained why.</p>	Included in the Directors' Report.
Disclose	B 2.13	The annual report should give the number of times the board and its committees met, and individual director attendance.	Included in the Directors' report.
Disclose	B 2.17	For foundation trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of	Included in the Directors' report.

		decisions which are delegated to the executive management of the board of directors.	
Disclose	C 2.5	If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the trust or individual directors.	Not required in year.
Disclose	C 2.8	The annual report should describe the process followed by the council of governors to appoint the chair and non-executive directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference.	Included in the Remuneration Report. All Committee terms of reference are available on the Trust website.
Disclose	C 4.2	The board of directors should include in the annual report a description of each director's skills, expertise and experience.	Included in the Directors' report.
Disclose	C 4.7	All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors.	Completed by Deloitte in the early weeks of 2024/25. Further detail is included in the Annual Governance Statement.
Disclose	C 4.13	The annual report should describe the work of the nominations committee(s), including: <ul style="list-style-type: none"> • the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline • how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition • the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, how it has been implemented and progress on achieving the objectives • the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the trust's workforce and communities served • the gender balance of senior management and their direct reports. 	Included in the Remuneration report.
Disclose	C 5.15	Foundation trust governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board	Included in the Directors' report.

		of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	
Disclose	D 2.4	<p>The annual report should include:</p> <ul style="list-style-type: none"> • the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed • an explanation of how the audit committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans • where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services. 	Included in the Annual Governance Statement
Disclose	D 2.6	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy.	Included in the Director's report, Annual Governance Statement, and the Auditor's report.
Disclose	D 2.7	The board of directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.	Completed. Further detail in the Overview of Performance report and Annual Governance Statement.
Disclose	D 2.8	The board of directors should monitor the trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report.	Included in the Annual Governance Statement.
Disclose	D 2.9	In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be	Included in the performance analysis.

		based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	
Disclose	E 2.3	Where a trust releases an executive director, eg to serve as a non-executive director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the director will retain such earnings.	Not required.
Disclose	Appendix B, para 2.3 (not in Schedule A)	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Included in the Directors' report.
Disclose	Appendix B, para 2.14 (not in Schedule A)	The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members who wish to communicate with governors and/or directors should be clear and made available to members on the NHS foundation trust's website and in the annual report.	Included on the Trust website and in the Directors' report.
Disclose	Appendix B, para 2.15 (not in Schedule A)	The board of directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, eg through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Included in the Directors' report.
Disclose	Additional requirement of FT ARM resulting from legislation	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Not required in year.
Comply or explain	A 2.2	The board of directors should develop, embody and articulate a clear vision and values for the trust, with reference to the ICP's integrated care	The Trust's strategy is in place, and work is ongoing to further develop this in line with the integrated care

		strategy and the trust's role within system and place-based partnerships, and provider collaboratives. This should be a formally agreed statement of the organisation's purpose and intended outcomes and the behaviours used to achieve them. It can be used as a basis for the organisation's overall strategy, planning, collaboration with system partners, and other decisions.	agenda. The Trust is already involved in a number of system working initiatives and partnerships and this participation is fully endorsed by the Board.
Comply or explain	A 2.4	The board of directors should ensure that adequate systems and processes are maintained to measure and monitor the trust's effectiveness, efficiency and economy, the quality of its healthcare delivery, the success of its contribution to the delivery of the five-year joint plan for health services and annual capital plan agreed by the ICB and its partners, and to ensure that risk is managed effectively. The board should regularly review the trust's performance in these areas against regulatory and contractual obligations, and approved plans and objectives, including those agreed through place-based partnerships and provider collaboratives.	The Audit and Risk Committee monitor controls and risk, while the Quality Committee monitor the delivery of healthcare. No joint plan has been agreed for the ICB but the Trust is committed to working towards it once complete.
Comply or explain	A 2.5	The board of directors should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and performance. Where appropriate and particularly in high risk or complex areas, the board of directors should commission independent advice, eg from the internal audit function, to provide an adequate and reliable level of assurance.	The Board Assurance Framework and Trust's Performance Dashboard are reviewed in full annually to ensure detail is correct, and relevant.
Comply or explain	A 2.6	The board of directors should report on its approach to clinical governance and its plan for the improvement of clinical quality in the context of guidance set out by the Department of Health and Social Care (DHSC), NHS England and the Care Quality Commission (CQC). The board should record where in the structure of the organisation clinical governance matters are considered.	This is completed within the Quality Account. Clinical Governance feeds up from divisions through to Quality Committee.
Comply or explain	A 2.7	The chair should regularly engage with stakeholders including patients, staff, the community and system partners, in a culturally competent way, to understand their views on governance and performance against the trust's vision. Committee chairs should engage with stakeholders on significant matters related to their areas of responsibility. The chair should ensure that the board of directors as a whole has a clear understanding of the views of the stakeholders including system partners. NHS foundation trusts must hold a members' meeting at least annually. Provisions regarding the role of the council of	The Chair has regular meetings with system partners and key stakeholders, and Committee chairs engage with relevant key stakeholders. The Chair has a slot on each Board agenda to provide feedback on his meetings. The Trust holds a member meeting annually.

		governors in stakeholder engagement are contained in Appendix B.	
Comply or explain	A 2.9	The workforce should have a means to raise concerns in confidence and – if they wish – anonymously. The board of directors should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.	The Trust has a Freedom to Speak Up Lead who reports regularly to Board. Any concerns raised anonymously would be taken through this route, and appropriate investigations undertaken. The People Committee and Board receive biannual reports from the FTSU lead
Comply or explain	A 2.10	The board of directors should take action to identify and manage conflicts of interest and ensure that the influence of third parties does not compromise or override independent judgement.	All staff band 7+ (or decision makers if lower banded), including Board Members, must complete an annual declaration of interest via the Civica portal, which requires manager approval. Board and Board Committees ensure that ad hoc declarations of interest are raised at every meeting and recorded in the minutes if relevant.
Comply or explain	A 2.11	Where directors have concerns about the operation of the board or the management of the trust that cannot be resolved, these should be recorded in the board minutes. If on resignation a non-executive director has any such concerns, they should provide a written statement to the chair, for circulation to the board.	Not required in year.
Comply or explain	B 2.1	The chair is responsible for leading on setting the agenda for the board of directors and, for foundation trusts, the council of governors, and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.	This is carried out by the Chair, and he is advised on this by the Director of Corporate Affairs, Board Secretary and relevant Executives.
Comply or explain	B 2.2	The chair is also responsible for ensuring that directors and, for foundation trusts, governors receive accurate, timely and clear information that enables them to perform their duties effectively. A foundation trust chair should take steps to ensure that governors have the necessary skills and knowledge to undertake their role.	The chair manages this through the Board Secretariat. The chair also meets with each Governor on their induction.
Comply or explain	B 2.3	The chair should promote a culture of honesty, openness, trust and debate by facilitating the effective contribution of non-executive directors in particular, and ensuring a constructive relationship between executive and non-executive directors.	The Chair encourages openness and transparency, and the culture of the Board is constructive and cooperative balanced with scrutiny. This was evidenced in the last Board effectiveness observation undertaken by the Good Governance Institute in September 2022.
Comply or explain	B 2.4	A foundation trust chair is responsible for ensuring that the board and council work together effectively.	The Board and the COG work together as required. The Board Chair also chairs the COG, which

			helps to ensure this working relationship, and Governors are invited to the board meetings should they wish to attend.
Comply or explain	B 2.5	The chair should be independent on appointment when assessed against the criteria set out in Section B, provision 2.6. The roles of chair and chief executive must not be exercised by the same individual. A chief executive should not become chair of the same trust. The board should identify a deputy or vice chair who could be the senior independent director. The chair should not sit on the audit committee. The chair of the audit committee, ideally, should not be the deputy or vice chair or senior independent director.	The Chair was independent on appointment, and the Chair and CEO role are not held by the same individual, nor has the CEO become the chair. The SID is Steve Igoe, who is also the deputy chair. The Chair does not sit on the Audit Committee. The SID/Deputy Chair does currently chair the Audit Committee, and this is due to the skills required and continuity needed to ensure an effective Committee. The Trust is considering the best way to mitigate this whilst still ensuring a robust Committee.
Comply or explain	B 2.7	At least half the board of directors, excluding the chair, should be non-executive directors whom the board considers to be independent.	Complied with.
Comply or explain	B 2.8	No individual should hold the positions of director and governor of any NHS foundation trust at the same time.	Complied with.
Comply or explain	B 2.9	The value of ensuring that committee membership is refreshed and that no undue reliance is placed on particular individuals should be taken into account in deciding chairship and membership of committees. For foundation trusts, the council of governors should take into account the value of appointing a non-executive director with a clinical background to the board of directors, as well as the importance of appointing diverse non-executive directors with a range of skill sets, backgrounds and lived experience.	Committee membership was reviewed in August 2022 and is due for further review in 2024/25. Whilst the skills of some NEDs are required for certain Committees, there is a mix of NEDs on each Committee with training available if required. Steve Ryan currently serves as the clinical NED. In the last recruitment exercise, a role profile was developed which highlighted the Trust's commitment to diversity of skill and background and experience.
Comply or explain	B 2.10	Only the committee chair and members are entitled to be present at nominations, audit or remuneration committee meetings, but others may attend by invitation of the particular committee.	Complied with.
Comply or explain	B 2.11	In consultation with the council of governors, NHS foundation trust boards should appoint one of the independent non-executive directors to be the senior independent director: to provide a sounding board for the chair and serve as an intermediary for the other directors when	Steve Igoe is the SID. The SID gathers feedback from the Non Executive Directors in relation to the Chair's performance.

		necessary. Led by the senior independent director, the foundation trust non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary, and seek input from other key stakeholders. For NHS trusts the process is the same but the appraisal is overseen by NHS England as set out in the chair appraisal framework.	This process will be enhanced in 2024/25 in line with the requirements of the Leadership Competency Framework.
Comply or explain	B 2.12	Non-executive directors have a prime role in appointing and removing executive directors. They should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present.	The Remuneration Committee is made up of all NEDs and has responsibility for appointing, removing, and monitoring the performance of the Executive Directors. They last did this in October 2023, and will do so again once the Executive appraisals have been completed unless other circumstances require such a discussion. The Chair meets one on one with the NEDs regularly.
Comply or explain	B 2.13	The responsibilities of the chair, chief executive, senior independent director if applicable, board and committees should be clear, set out in writing, agreed by the board of directors and publicly available.	These are in place.
Comply or explain	B 2.14	When appointing a director, the board of directors should take into account other demands on their time. Prior to appointment, the individual should disclose their significant commitments with an indication of the time involved. They should not take on additional external appointments without prior approval of the board of directors, with the reasons for permitting significant appointments explained in the annual report. Full-time executive directors should not take on more than one non-executive directorship of another trust or organisation of comparable size and complexity, and not the chairship of such an organisation.	Complied with during last recruitment exercise – not required in year. Full time executive directors' appointment are managed in line with this provision, and are listed in the register of interests.
Comply or explain	B 2.15	All directors should have access to the advice of the company secretary, who is responsible for advising the board of directors on all governance matters. Both the appointment and removal of the company secretary should be a matter for the whole board.	This is the case.
Comply or explain	B 2.16	All directors, executive and non-executive, have a responsibility to constructively challenge during board discussions and help develop proposals on priorities, risk mitigation, values, standards and strategy. In particular, non-executive directors	This is the case – reflected in the minutes and Board observations.

		should scrutinise the performance of the executive management in meeting agreed goals and objectives, receive adequate information and monitor the reporting of performance. They should satisfy themselves as to the integrity of financial, clinical and other information, and make sure that financial and clinical quality controls, and systems of risk management and governance, are robust and implemented.	
Comply or explain	B 2.17	The board of directors should meet sufficiently regularly to discharge its duties effectively. A schedule of matters should be reserved specifically for its decisions.	The Board hold eleven meetings a year along with other away days and training sessions. The Scheme of Reservation and Delegation lays out the matters reserved to the Board.
Comply or explain	C 2.1	The nominations committee or committees of foundation trusts, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors. The nominations committee should give full consideration to succession planning, taking into account the future challenges, risks and opportunities facing the trust and the skills and expertise required within the board of directors to meet them. Best practice is that the selection panel for a post should include at least one external assessor from NHS England and/or a representative from the ICB, and the foundation trust should engage with NHS England to agree the approach.	This is the case – further detail on the Nominations Committee is in the Remuneration Report.
Comply or explain	C 2.2	There may be one or two nominations committees. If there are two committees, one will be responsible for considering nominations for executive directors and the other for non-executive directors (including the chair). The nominations committee(s) should regularly review the structure, size and composition of the board of directors and recommend changes where appropriate. In particular, the nominations committee(s) should evaluate, at least annually, the balance of skills, knowledge, experience and diversity on the board of directors and, in the light of this evaluation, describe the role and capabilities required for appointment of both executive and non-executive directors, including the chair.	There are two Committees – one called the Remuneration and Appointments Committee and the other the Nominations Committee. Further detail in the Remuneration Report.
Comply or explain	C 2.3	The chair or an independent non-executive director should chair the nominations committee(s). At the discretion of the committee, a governor can chair the committee in the case of appointments of non-executive directors or the chair.	This is the case.

Comply or explain	C 2.4	The governors should agree with the nominations committee a clear process for the nomination of a new chair and non-executive directors. Once suitable candidates have been identified, the nominations committee should make recommendations to the council of governors.	Complied with at last point of recruitment.
Comply or explain	C 2.5	Open advertising and advice from NHS England's Non-Executive Talent and Appointments team should generally be used for the appointment of the chair and non-executive directors.	This will be the case when recruitment is next required.
Comply or explain	C 2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should have governors and/or independent members in the majority. If only one nominations committee exists, when nominations for non-executives, including the appointment of a chair or a deputy chair, are being discussed, governors and/or independent members should be in the majority on the committee and also on the interview panel.	Complied with.
Comply or explain	C 2.7	When considering the appointment of non-executive directors, the council of governors should take into account the views of the board of directors and the nominations committee on the qualifications, skills and experience required for each position.	Complied with at the point of last recruitment.
Comply or explain	C 2.9	Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. The names of governors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to make an informed decision on their election. This should include prior performance information.	Complied with
Comply or explain	C 4.1	Directors on the board of directors and, for foundation trusts, governors on the council of governors should meet the 'fit and proper' persons test described in the provider licence. For the purpose of the licence and application criteria, 'fit and proper' persons are defined as those having the qualifications, competence, skills, experience and ability to properly perform the functions of a director. They must also have no issues of serious misconduct or mismanagement, no disbarment in relation to safeguarding vulnerable groups and disqualification from office, be without certain recent criminal convictions and director disqualifications, and not bankrupt (undischarged). Trusts should also have a policy for ensuring compliance with the CQC's guidance Regulation 5: Fit and proper persons: directors.	Complied with. The new regime for Fit and Proper Persons has been implemented at the Trust.

Comply or explain	C 4.2	Alongside this, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the trust. Both statements should also be available on the trust's website.	The Statement of Composition of the Board is in place.
Comply or explain	C 4.3	The chair should not remain in post beyond nine years from the date of their first appointment to the board of directors and any decision to extend a term beyond six years should be subject to rigorous review. To facilitate effective succession planning and the development of a diverse board, this period of nine years can be extended for a limited time, particularly where on appointment the chair was an existing non-executive director. The need for extension should be clearly explained and should have been agreed with NHS England.	The Chair is in his sixth year of formal tenure as Chair of the Trust, having been appointed in 2019. (The Chair served in an interim role prior to this between March 2018 to February 2019, at the request of NHS England). Any extension to his term beyond this six year tenure period will be conducted in line with this provision and requirements of the ICB/NHSE.
Comply or explain	C 4.4	Elected foundation trust governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. The governor names submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to make an informed decision on their election. This should include prior performance information. Best practice is that governors do not serve more than three consecutive terms to ensure that they retain the objectivity and independence required to fulfil their roles.	Complied with.
Comply or explain	C 4.5	There should be a formal and rigorous annual evaluation of the performance of the board of directors, its committees, the chair and individual directors. For NHS foundation trusts, the council of governors should take the lead on agreeing a process for the evaluation of the chair and non-executive directors. The governors should bear in mind that it may be desirable to use the senior independent director to lead the evaluation of the chair. NHS England leads the evaluation of the chair and non-executive directors of NHS trusts. NHS foundation trusts and NHS trusts should make use of NHS Leadership Competency Framework for board level leaders.	This takes place annually.
Comply or explain	C 4.6	The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board of directors. Each director should engage with the process and take appropriate action where development needs are identified.	Included in the appraisal process.
Comply or explain	C 4.8	Led by the chair, foundation trust councils of governors should periodically assess their collective performance and regularly	This review is due to take place in 2024/25.

		<p>communicate to members and the public how they have discharged their responsibilities, including their impact and effectiveness on:</p> <ul style="list-style-type: none"> • holding the non-executive directors individually and collectively to account for the performance of the board of directors • communicating with their member constituencies and the public and transmitting their views to the board of directors • contributing to the development of the foundation trust's forward plans. <p>The council of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice. Further information can be found in Your statutory duties: a reference guide for NHS foundation trust governors and an Addendum to Your statutory duties – A reference guide for NHS foundation trust governors.</p>	
Comply or explain	C 4.9	The council of governors should agree and adopt a clear policy and a fair process for the removal of any governor who consistently and unjustifiably fails to attend its meetings or has an actual or potential conflict of interest which prevents the proper exercise of their duties. This should be shared with governors.	The policy is held in the Governors' Code of Conduct. Process for removal is laid out in the Trust Constitution at Annex 5.
Comply or explain	C 4.10	In addition, it may be appropriate for the process to provide for removal from the council of governors if a governor or group of governors behaves or acts in a way that may be incompatible with the values and behaviours of the NHS foundation trust. NHS England's model core constitution suggests that a governor can be removed by a 75% voting majority; however, trusts are free to stipulate a lower threshold if considered appropriate. Where there is any disagreement as to whether the proposal for removal is justified, an independent assessor agreeable to both parties should be asked to consider the evidence and determine whether or not the proposed removal is reasonable. NHS England can only use its enforcement powers to require a trust to remove a governor in very limited circumstances: where they have imposed an additional condition relating to governance in the trust's licence because the governance of the trust is such that the trust would otherwise fail to comply with its licence and the trust has breached or is breaching that additional condition. It is more likely that NHS England would have cause to require a trust to remove a director under its enforcement powers than a governor.	As Above.

Comply or explain	C 4.11	The board of directors should ensure it retains the necessary skills across its directors and works with the council of governors to ensure there is appropriate succession planning.	A skills matrix forms part of the board evaluation framework which is being developed and has been used to formulate a board succession plan, which is due for approval by Governors in April 2024.
Comply or explain	C 4.12	The remuneration committee should not agree to an executive member of the board leaving the employment of the trust except in accordance with the terms of their contract of employment, including but not limited to serving their full notice period and/or material reductions in their time commitment to the role, without the board first completing and approving a full risk assessment.	Complied with. The Chief Nurse left her post in accordance within the terms of her contract and the committee understood the risks associated with this.
Comply or explain	C 5.1	All directors and, for foundation trusts, governors should receive appropriate induction on joining the board of directors or the council of governors and should regularly update and refresh their skills and knowledge. Both directors and, for foundation trusts, governors should make every effort to participate in training that is offered.	Induction is in place.
Comply or explain	C 5.2	The chair should ensure that directors and, for foundation trusts, governors continually update their skills, knowledge and familiarity with the trust and its obligations for them to fulfil their role on the board, the council of governors and committees. The trust should provide the necessary resources for its directors and, for foundation trusts, governors to develop and update their skills, knowledge and capabilities. Where directors or, for foundation trusts, governors are involved in recruitment, they should receive appropriate training including on equality diversity and inclusion, including unconscious bias.	This is the case.
Comply or explain	C 5.3	To function effectively, all directors need appropriate knowledge of the trust and access to its operations and staff. Directors and governors also need to be appropriately briefed on values and all policies and procedures adopted by the trust.	Included in induction packs and process.
Comply or explain	C 5.4	The chair should ensure that new directors and, for foundation trusts, governors receive a full and tailored induction on joining the board or the council of governors. As part of this, directors should seek opportunities to engage with stakeholders, including patients, clinicians and other staff, and system partners. Directors should also have access at the trust's expense to training courses and/or materials that are consistent with their individual and collective development programme.	Induction processes in place. No new directors in year.

Comply or explain	C 5.5	The chair should regularly review and agree with each director their training and development needs as they relate to their role on the board.	This forms part of the annual appraisals.
Comply or explain	C 5.6	A foundation trust board has a duty to take steps to ensure that governors are equipped with the skills and knowledge they need to discharge their duties appropriately.	Induction process is in place
Comply or explain	C 5.7	The board of directors and, for foundation trusts, the council of governors should be given relevant information in a timely manner, form and quality that enables them to discharge their respective duties. Foundation trust governors should be provided with information on ICS plans, decisions and delivery that directly affect the organisation and its patients. Statutory requirements on the provision of information from the foundation trust board of directors to the council of governors are provided in Your statutory duties: a reference guide for NHS foundation trust governors.	Papers are provided in line with Terms of Reference requirements of 4 working days before each meeting. Governors receive updates from the Chair in the ICS at every meeting via a private session and a Chair's update at the public session
Comply or explain	C 5.8	The chair is responsible for ensuring that directors and governors receive accurate, timely and clear information. Management has an obligation to provide such information but directors and, for foundation trusts, governors should seek clarification or detail where necessary.	Complied with.
Comply or explain	C 5.9	The chair's responsibilities include ensuring good information flows across the board and, for foundation trusts, across the council of governors and their committees; between directors and governors; and for all trusts, between senior management and non-executive directors; as well as facilitating appropriate induction and assisting with professional development as required.	Complied with and managed with the assistance of the Board Secretariat.
Comply or explain	C 5.10	The board of directors and, for foundation trusts, the council of governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make. The board of directors and, for foundation trusts, the council of governors should agree their respective information needs with the executive directors through the chair. The information for boards should be concise, objective, accurate and timely, and complex issues should be clearly explained. The board of directors should have complete access to any information about the trust that it deems necessary to discharge its duties, as well as access to senior management and other employees.	Complied with and managed with the assistance of the Board Secretariat.
Comply or explain	C 5.11	The board of directors and in particular non-executive directors may reasonably wish to challenge assurances received from the executive management. They do not need to appoint a relevant adviser for each and every subject area	Complied with. No external assurance required in year.

		that comes before the board of directors, but should ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis. When complex or high-risk issues arise, the first course of action should normally be to encourage further and deeper analysis within the trust in a timely manner. On occasion, non-executives may reasonably decide that external assurance is appropriate.	
Comply or explain	C 5.12	The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the trust's expense, where they judge it necessary to discharge their responsibilities as directors. The decision to appoint an external adviser should be the collective decision of the majority of non-executive directors. The availability of independent external sources of advice should be made clear at the time of appointment.	Not required in year.
Comply or explain	C 5.13	Committees should be provided with sufficient resources to undertake their duties. The board of directors of foundation trusts should also ensure that the council of governors is provided with sufficient resources to undertake its duties with such arrangements agreed in advance.	Complied with and managed via the Board Secretariat.
Comply or explain	C 5.14	Non-executive directors should consider whether they are receiving the necessary information in a timely manner and feel able to appropriately challenge board recommendations, in particular by making full use of their skills and experience gained both as a director of the trust and in other leadership roles. They should expect and apply similar standards of care and quality in their role as a non-executive director of a trust as they would in other similar roles.	Complied with.
Comply or explain	C 5.16	Where appropriate, the board of directors should in a timely manner take account of the views of the council of governors on the forward plan, and then inform the council of governors which of their views have been incorporated in the NHS foundation trust's plans, and explain the reasons for any not being included.	This would be complied with if required.
Comply or explain	C 5.17	The trust should arrange appropriate insurance to cover the risk of legal action against its directors. Assuming foundation trust governors have acted in good faith and in accordance with their duties, and proper process has been followed, the potential for liability for the council should be negligible. Governors may have the benefit of an indemnity and/or insurance from the trust. While there is no legal requirement for trusts to provide an indemnity or insurance for governors to cover	Insurance is in place.

		their service on the council of governors, where an indemnity or insurance policy is given, this can be detailed in the trust's constitution.	
Comply or explain	D 2.1	The board of directors should establish an audit committee of independent non-executive directors, with a minimum membership of three or two in the case of smaller trusts. The chair of the board of directors should not be a member and the vice chair or senior independent director should not chair the audit committee. The board of directors should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole should have competence relevant to the sector in which the trust operates.	All conditions complied with, save for the chairmanship of the audit committee. The SID/Deputy Chair does currently chair the Audit Committee, and this is due to the skills required and continuity needed to ensure an effective Committee. The Trust is considering the best way to mitigate this whilst still ensuring a robust Committee.
Comply or explain	D 2.2	The main roles and responsibilities of the audit committee should include: <ul style="list-style-type: none"> • monitoring the integrity of the financial statements of the trust and any formal announcements relating to the trust's financial performance, and reviewing significant financial reporting judgements contained in them • providing advice (where requested by the board of directors) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's position and performance, business model and strategy • reviewing the trust's internal financial controls and internal control and risk management systems, unless expressly addressed by a separate board risk committee composed of independent non-executive directors or by the board itself • monitoring and reviewing the effectiveness of the trust's internal audit function or, where there is not one, considering annually whether there is a need for one and making a recommendation to the board of directors • reviewing and monitoring the external auditor's independence and objectivity • reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements • reporting to the board of directors on how it has discharged its responsibilities. 	Included in the Committee's Terms of Reference.
Comply or explain	D 2.3	A trust should change its external audit firm at least every 20 years. Legislation requires an NHS trust to newly appoint its external auditor at least every five years. An NHS foundation trust should	Azets is the external auditor and they were appointed in January 2021 for the audit of year ending 2020/21. They were appointed on

		re-tender its external audit at least every 10 years and in most cases more frequently than this.	a 3 year contract with the option to extend for 2 further years, which was approved in 2023.
Comply or explain	D 2.5	Legislation requires an NHS trust to have a policy on its purchase of non-audit services from its external auditor. An NHS foundation trust's audit committee should develop and implement a policy on the engagement of the external auditor to supply non-audit services.	Non audit services are not allowed.
Comply or explain	E 2.1	<p>Any performance-related elements of executive directors' remuneration should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels. In designing schemes of performance-related remuneration, the remuneration committee should consider the following provisions.</p> <ul style="list-style-type: none"> • Whether the directors should be eligible for annual bonuses in line with local procedures. If so, performance conditions should be relevant, stretching and designed to match the long-term interests of the public and patients. • Payouts or grants under all incentive schemes should be subject to challenging performance criteria reflecting the objectives of the trust. Consideration should be given to criteria which reflect the performance of the trust against some key indicators and relative to a group of comparator trusts, and the taking of independent and expert advice where appropriate. • Performance criteria and any upper limits for annual bonuses and incentive schemes should be set and disclosed and must be limited to the lower of £17,500 or 10% of basic salary. • The remuneration committee should consider the pension consequences and associated costs to the trust of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement 	No performance related elements are in place at this point.
Comply or explain	E 2.2	Levels of remuneration for the chair and other non-executive directors should reflect the Chair and non-executive director remuneration structure .	Remuneration for the Chair and NEDs is set in line with this document.
Comply or explain	E 2.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination. The aim should be to avoid rewarding poor performance. Contracts should allow for	To be complied with should the situation arise.

		compensation to be reduced to reflect a departing director's obligation to mitigate loss. Appropriate claw-back provisions should be considered in case of a director returning to the NHS within the period of any putative notice.	
Comply or explain	E 2.5	Trusts should discuss any director-level severance payment, whether contractual or non-contractual, with their NHS England regional director at the earliest opportunity.	Not required in year.
Comply or explain	E 2.6	The board of directors should establish a remuneration committee of independent non-executive directors, with a minimum membership of three. The remuneration committee should make its terms of reference available, explaining its role and the authority delegated to it by the board of directors. The board member with responsibility for HR should sit as an advisor on the remuneration committee. Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with the trust	Complied with. Further detail in the Remuneration Report.
Comply or explain	E 2.7	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The board should define senior management for this purpose and this should normally include the first layer of management below board level.	Included in the Terms of Reference.

NHS System Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

- a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
- b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

Wirral University Teaching Hospital NHS Foundation Trust has been placed in segment 3 of the NHS Oversight Framework following breach of the Trust's provider licence in 2015 with the additional licence condition – Section 111. The Trust agreed to a revised set of enforcement undertakings in March 2018 in relation to financial sustainability and A & E Performance. Further details can be found in the annual governance statement.

NHS England is reviewing the enforcement undertakings as defined in March 2018 and the section 111 as a consequence of stabilisation of the Board of Directors and improvement of the capability of senior leaders. This was reflected in the 'well-led' element of the CQC inspection as reported in March 2020.

This segmentation information is the Trust's position as at 31st March 2024. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: <https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>.

Finance and Use of Resources

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

Statement of the Chief Executive's responsibilities as the accounting officer of Wirral University Teaching Hospital NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS England.

NHS England has given Accounts Directions which require Wirral University Teaching Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Wirral University Teaching Hospital NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

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

trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

A handwritten signature in black ink that reads "Janelle Holmes". The signature is written in a cursive style with a large initial 'J'.

Janelle Holmes
Chief Executive

Date: 27 June 2024

1. Scope of responsibility

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

2. The purpose of the system of internal control

- 2.1 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 Wirral University Teaching Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wirral University Teaching Hospital NHS Foundation Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

- 3.1 The Board of Directors is responsible for the governance of the Trust. The Board of Directors is supported in the discharge of its role by a number of assurance committees that scrutinise and review assurances on internal control.
- 3.2 Responsibility and leadership are delegated through directors in accordance with the Trust's Scheme of Reservation and Delegation. This covers all aspects of governance relating to our service delivery including quality governance, clinical care, CQC and other regulatory and statutory requirements, finance and health and safety. The medical director has delegated responsibility from the chief executive for the executive leadership of risk in the Trust and is responsible for devising, implementing and embedding all risk processes throughout the organisation.

Risk management training

- 3.3 Training is provided to relevant staff on risk assessment, incident reporting and incident investigation appropriate to their role. New employees attend an induction programme and receive training appropriate to their role.

4. The risk and control framework

Risk management strategy

- 4.1 The Board of Directors recognises its responsibility to promote organisational success and to always keep risk under appropriate control. To achieve this, it is essential that we are systematic in our reporting, reviewing and learning from risk ensuring a culture of improvement. Central to this is the Trust's governance framework which describes the Trust's risk management arrangements to deliver continuous improvement in safety and quality.
- 4.2 The risk management framework provides a structure for the identification of risk and the co-ordination of the Trust's response. The Board approved the risk management strategy 2021-2024 in October 2021, with a subsequent review and approval in December 2022. The Strategy has since been wrapped into the annual cycle of year end reviews, and was taken to the April 2024 Board for a final review and approval. The risk management strategy defines the risk framework and processes together with key responsibilities of the Board, its committees, individual executives and other staff. The risk management strategy is supported by the risk management policy. The policy is underpinned by several risk related policies and procedures which provide further information and guidance to staff on the management of risk.
- 4.3 The Trust also updated its Risk Management Strategy to include a revised risk scoring tool. The policy describes the process for managing risk and the roles and responsibilities of staff.
- 4.4 The Trust has an executive-led Risk Management Committee, chaired by the Medical Director, with membership including all executive directors and senior managers. The Risk Management Committee oversees the Trust's risk management arrangements to ensure:
- the correct strategy is adopted for managing risk
 - controls are present and effective and
 - action plans are robust for those risks that remain intolerant.

The Risk Management Committee reports through to the Trust Management Board maintaining oversight of the operational arrangements to ensure the board assurance framework (BAF) and risk register are robustly maintained. The Committee scrutinises the delivery of mitigations against specific risks, whilst holding to account risk owners for delivery of action plans.

- 4.5 Risks are identified from many sources including risk assessments, incident reporting, audit data, complaints, legal claims, feedback from patients and external reports.
- 4.6 All new significant risks are escalated to the chief executive and are subject to validation by the relevant executive director. The movement of risk is currently governed by the residual

risk score (i.e., the net risk remaining after recognising the benefits of any mitigating controls).

- 4.7 The BAF provides assurance in relation to the delivery of the Trust's strategic objectives and mitigation of the principal risks. The BAF was reviewed during the last quarter of 2023, and was taken to the Board in April 2024.
- 4.8 The BAF is considered at a number of fora including the Risk Management Committee prior to consideration by the Board's Assurance Committees and through to the Board of Directors. This review takes place at each Assurance Committee and Board meeting throughout the year.
- 4.9 The BAF reflects: (i) the risk scenarios identified by the Board; (ii) risk controls (iii) risk tolerance; (iv) gaps in controls (v) assurance on controls and any gaps and (vi) action plans to deliver.
- 4.10 The risk management process follows six steps:
- (i) Determine priorities.
 - (ii) Risk identification.
 - (iii) Risk assessment.
 - (iv) Risk response (risk treatment).
 - (v) Risk reporting.
 - (vi) Risk review.
- 4.11 Operational risks are overseen within the divisional management structures and escalated in accordance with the risk management policy. Those responsible for managing risk regularly review the output from the risk register to ensure it remains valid, reflects changes and supports decision making. Risk profiles for the divisions have been subject to scrutiny as part of a rolling programme by the Risk Management Committee. The purpose of the review is to track how the risk profile is changing over time; evaluate the progress of actions to treat material risk; ensure controls are aligned to the risk; resources are reprioritised where necessary; and risk is escalated appropriately.
- 4.12 Detailed risk registers are in place. These set out the risk, risk treatment and further mitigating actions planned.

Quality governance framework

- 4.13 The key elements of the governance framework include:
- a devolved quality governance structure providing oversight.
 - a separation between management and assurance responsibilities within the Board's committee structure.

- a wide range of policies, procedures, and guidelines to govern operational practices and training requirements.
- a management structure to drive and deliver the Board's objectives and performance priorities.
- a clearly articulated set of performance measures which are reviewed and used by the Board to drive accountability for performance and delivery.
- engagement with the wider stakeholder community through which the Trust is held to account for performance.
- a risk management framework including the BAF and operational risk registers.

4.14 Incident reporting and investigation is a vital component of risk and safety management. An electronic incident reporting system is operational throughout the Trust and accessible to all colleagues. Incident reporting is promoted through induction and mandatory training programmes, regular communications, patient safety walk rounds or other visits and inspections that take place. In addition, arrangements are also in place to raise any concerns at work confidentially and anonymously, if necessary, through the 'Freedom to Speak up' guardians.

Care Quality Commission

- 4.15 The Trust is fully compliant with the registration requirements of the CQC. The Trust reviewed and refreshed its Statement of Purpose during 2023/24. Compliance data with the provisions of the Health & Social Care Act 2008 (Registration Regulations 2010) is co-ordinated by the deputy director of quality governance who oversees compliance by:
- reporting and keeping under review matters highlighted within the CQC Insight Tool and inspections.
 - liaising with the CQC and local services to address specific concerns.
 - engaging with the CQC on the inspection process, co-ordinating the Trust's response to inspections and recommendations/actions.
 - analysing trends from incident reporting, complaints, and patient and staff surveys to detect potential non-compliance or concerns in services.
 - reviewing assurances on the effective operation of controls.
- 4.16 Following a comprehensive inspection of services in 2019/20 the Trust demonstrated that progress has been made to achieve better compliance. The Trust remains at 'Requires Improvement' overall but improved in the well-led and safe domains.
- 4.17 There have been focused inspections including; Urgent and Emergency Care and Medical Services in 2021, Maternity 2023 and Urgent and Emergency Care 2024. Whilst the focused inspections have not changed the overall CQC rating for the Trust, the 2021 inspections have seen an improvement in the rating for Medical Services from Requires Improvement to Good and maintained the position for Urgent and Emergency Care. The 2023 focused

maternity inspection maintained a rating of Good and the report following the Urgent and Emergency Care focused inspection in 2024 is yet to be finalised.

Data security

4.18 The Trust has identified and evaluated the risks associated with data security and has taken steps to enhance control and resilience following the standards required within the Data Security and Protection Toolkit. The Trust has well established Information Governance and Information Security policies and procedures to protect confidential information including a process to undertake Data Protection Impact Assessments to assess any risk to the processing of Personal Data.

Major risks

- 4.19 Major risks to the delivery of the Trust's strategic objectives include failure to:
- Effectively manage demand, both unscheduled and scheduled, and meet constitutional standards which will adversely impact quality of care and patient experience.
 - Recruit and retain staff which when considered alongside high sickness level will impact on quality of care and staff wellbeing.
 - Deliver financial plan due to uncertainty re financial regime and ability to deliver sustainable cost improvements and productivity gains due to inability to embed service transformation.
 - Deliver seamless care with our partners due to ongoing uncertainty re the infrastructure of system working resulting in change in strategic direction and uncertainty re Trust role in place governance.
 - Deliver our digital ambition due to unsuccessful implementation of our electronic patient records and potential loss of clinical systems due to cyber-attack.
 - Improve our infrastructure due to availability of capital funding with risk to business continuity and provision of clinical services due to critical infrastructure failure.
- 4.20 Controls and assurances which describe how the Trust manages and mitigates the risks to achievement of its strategic objectives are reported in the BAF which is monitored by the Board and its committees.
- 4.21 The Board has agreed a risk appetite statement, and reconfirmed that it remains fit for purpose in April 2023, which is contained within the risk management strategy 2021- 24. The risk appetite statement is due for approval from the Board in April 2024.
- 4.22 The most significant clinical risks are caused by failure to treat patients in a timely manner due to demand exceeding available resources together with ability to recruit and retain skilled and experienced staff. The number of patients waiting for treatment has significantly increased as a direct result of the pandemic. We are continuing to prioritise the reduction

in waiting lists whilst also ensuring health and wellbeing support for staff. The Trust's plan is in accordance with the NHS England Delivery Plan for Tackling the COVID-19 Backlog of Elective Care.

- 4.23 Embedding high standards of infection prevention and control has continued to be a priority. The Trust has consistently followed outbreak guidelines and incidents of nosocomial transmission have been reported, mitigations to manage the risk alongside the operational priorities have been enacted.
- 4.24 Areas of good practice, highlighted within the CQC infection, prevention and control focused inspection in February 2021, have continued to be built upon throughout this year; including an open culture, effective governance processes, use of reliable data and a clear understanding of the challenges and priorities for the Trust in relation to infection prevention and control. Consistent with the national and regional position the Trust has had a significant rise in reported *Clostridium difficile* infections (CDI). Taking a proactive approach and working collaboratively with system partners has helped improve the reduction of CDI. Further detail on this can be found in the Performance Analysis.
- 4.25 The Trust commissioned an independent developmental review of its leadership and governance arrangements using the well-led framework in January 2023 in accordance with the CQC and NHS England's well-led framework, which is published at [Well-led - Care Quality Commission \(cqc.org.uk\)](https://www.cqc.org.uk). The final report was considered by the Board in June 2024.

Corporate governance

- 4.26 The Board maintains continuous oversight of the Trust's risk management arrangements and system of internal control through reporting to the Board, the Audit Committee, the Board's committees and the Trust Management Board.
- 4.27 An assessment of compliance with the NHS provider licence condition 4 has been completed confirming that no material risks have been identified. The conditions are detailed within the corporate governance statement, the validity of which has been assured by the Audit Committee in April 2024.
- 4.28 Enforcement undertakings under S106 Health & Social Care Act 2012 were originally applied to the Trust in August 2015. An additional licence condition under S111 Health & Social Care Act 2012 in relation to senior management and board leadership and capability was also imposed in August 2015. Both the undertakings and the additional licence condition related to the need to:
- secure delivery of services on a financially sustainable basis (FT4 (5)(a), (d) and (f) and CoS3(1)); and
 - ensure compliance with the A&E four-hour target on a sustainable basis condition FT4 (5)(c).

- 4.29 Revised enforcement undertakings were issued by NHS Improvement in March 2018 and again in July 2020. The undertakings continue to relate to financial sustainability and sustainable performance against the A&E four-hour target. The Board of Directors formally endorsed the revised undertakings at the Board in August 2020. The Trust reports progress with the undertakings to NHSE as required.
- 4.30 It should be noted that following the end of the financial year, NHS England have confirmed that all conditions will be removed from the Trust licence.

Workforce

- 4.31 The Trust is committed to ensuring that our patients receive the highest quality of care through ensuring that our staffing processes are safe, sustainable and effective. Systems and processes are in place to monitor staffing levels including responding to day-to-day issues with an escalation process in place to address issues which occur. A safe staffing report is discussed at each People Committee (formerly named the Workforce Assurance Committee). The report includes a dashboard providing a month-by-month review of a range of patient outcome measures, workforce data including progress with international recruitment, care hours per patient day (CHPPD) data, 'red flags' and patient experience metrics. Any known risk is highlighted along with mitigations and plans to enhance staffing assurances moving forward.
- 4.32 An integrated performance report is discussed at each Board of Directors' meeting held in public. The report contains a range of performance indicators in each CQC domain supported by exception reporting and SPC charts. In addition, an assurance report is provided to the Board by the chair of the People Committee. The Trust has experienced challenges in relation to staff retention and sickness absence, alongside the on-going challenge of Industrial Action.
- 4.33 The Trust has robust processes to determine and monitor nurse staffing levels. Establishment reviews have taken place bi-annually using approved Shelford acuity and dependency-based tool where available to determine nurse staffing levels. The process enables staffing data to be triangulated against a range of data including quality KPIs, patient experience, incidents / serious incidents, operational requirements, environmental factors, and skill mix. Any changes to the nursing establishment are approved by the Chief Nurse / Executive Director for Midwifery and the Medical Director.
- 4.34 Workforce governance systems are continually reviewed and strengthened to ensure the Trust's compliance with legislative requirements and to enable oversight of the Trust's short, medium and long-term workforce strategies.

Register of Interests

- 4.35 The Trust has in place a Managing Conflicts of Interests policy, the content of which is consistent with national guidance on conflict of interests published by NHS England. This was reviewed and re-approved by the Board in October 2022, and will be reviewed in line with the approved 3 year cycle in 2025, unless further guidance is issued. The Trust has an electronic process for recording declarations of interest, including gifts and hospitality, for senior decision-making staff. The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS guidance.
- 4.36 An internal audit was undertaken on the Trust's processes for recording interests, which was returned with substantial assurance. All recommendations have since been implemented.

Pensions

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

Equality, diversity and human rights

- 4.38 Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with. Diversity and inclusion training is mandatory for all staff. Additional steps have been taken to ensure focus on specific areas of the public sector equality duty; with particular attention on fostering good relations and advancing equality of opportunity between people who share a protected characteristic and those who do not. Further detail can be found in the performance and staff sections of the report.
- 4.39 Equality Diversity and Inclusion is a central pillar in the people strategy '*Belonging at WUTH*' which sets out '*We will develop an inclusive culture where everyone's voice is represented*'. In addition to the Trusts People Strategy, an Equality, Diversity & Inclusion (EDI) strategic commitment was developed in collaboration with staff networks and the Trust EDI Steering group. This sets out how the People Strategy will ensure the EDI agenda is embedded throughout all our people practices. The EDI Strategic Commitment was approved by Trust

Board in December 2022 and has been used to develop the annual People Strategy Delivery Plan.

4.40 The Trust remains compliant against all EDI related statutory and regulatory reporting requirement, this includes working with staff and community stakeholders to review performance and identify further areas of improvement. The Trust undertook a self-assessment (with involvement from Health Watch Wirral) against the Equality Delivery System Framework and submitted its assessment and plans on 28th February 2024 with an overall rating of ‘Achieving’.

Carbon reduction

4.41 The Trust has undertaken risk assessments and has plans in place which take account of the ‘Delivering a Net Zero Health Service’ report under the Greener NHS programme. The trust ensures that its obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

4.42 The Sustainability Team continue to progress the Green Plan through the Trust’s Sustainable Development Group and Green Champions Network, with the Green Plan actions used as a tool for performance measurement. ‘Area of Focus’ have been to establish and launch an Estates Energy Plan (2023-2026) which aligns to our Estates Strategy and addresses key themes such as integration, data benchmarking, assurance and sustainability. The Sustainability Team have also drafted a Heat Decarbonisation Plan which sets out how the Trust intends to replace fossil fuel reliant heating systems with low carbon alternatives such as heat pumps and geothermal.

4.43 The Sustainability Team have also focused on Travel & Transport within the Wirral region and Merseyside county, Medical Gas Nitrous Oxide reduction, Greenspace and Biodiversity, and external engagement with Cheshire and Merseyside Sustainability Board, Cool Wirral, and Liverpool City Region (LCR) Combined Authority

4.44 The Trust is continuing to move its position to Net Zero, in line with NHS England’s Delivering a Net Zero NHS (October 2020). The two direct emission targets are: 80% Net Zero by 2028-2032, and 100% Net Zero by 2040. Carbon emissions have reduced since the publication of the Green Plan in 2022, despite increasing the Trust sites’ footprint with Modular Theatres and UECUP.

	Energy Consumption (kWh)	Associated carbon dioxide emissions (tCO2e)	% Change
2020/21	78,371,136	16,042	

2021/22	72,643,147	14,993	-6.8%
2022/23	71,737,531	14,993	0.0%
2023/24	72,145,942	15,046	0.4%

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

5.1 The Trust's resources are managed within a financial governance framework that incorporates systems of financial control, budgetary control and the financial responsibilities for individuals outlined within the Trust's Standing Financial Instructions. These were reviewed and approved by the Board in October 2022. Financial governance arrangements are supported by internal and external audit to ensure economic, effective and efficient use of resources.

5.2 Systems are in place to ensure the Trust complies with its duty to operate efficiently, effectively and economically including securing compliance with healthcare standards as specified by the Secretary of State for Health, the CQC, NHS England, NHS Improvement, and statutory regulators of healthcare professions. A further range of processes to support this duty include regular reporting to Board on quality, operational performance, finance and safety with further review and scrutiny at committees of the Board and management levels throughout the Trust.

5.3 The Trust Board has agreed an annual audit programme with the Trust's internal auditors through delegated authority to the Audit Committee. The Audit Committee receives internal audit reports in line with an agreed work plan that aims to test the economy, efficiency and effectiveness of Trust systems and processes, including financial management and control. The audit plan is reviewed and agreed by the Audit Committee in April each year. Any report which offers limited assurance results in the development of a management action plan with an agreed timescale for improvement, and progress is monitored by the Audit Committee. Serious issues are escalated to the Board of Directors.

6. Information governance

6.1 The table below shows data breaches that were reported to the Information Commissioner's Office (ICO) and NHS England via the DSP Toolkit during 2023/24. There were five data breaches were reported to the ICO by the Trust (see table below) as they met the threshold for reporting. In addition, a data subject contacted the ICO directly regarding a letter that had been incorrectly addressed. The ICO requested a further final letter be sent to the patient outlining all actions already taken by the Trust, with no further action required.

ICO Number	Date	Incident Details	ICO Status
IC-241347-V4V2	June 2023	Inappropriate access breach by staff member.	Closed – no further action.
IC-0286-2023	July 2023	Inappropriate access breach by staff member.	Awaiting response from ICO.
IC-255615-X5L6	September 2023	Personal information included in a summary letter to a GP which should not have been included without the consent of the patient.	Closed – no further action.
IC-273876-C8S8	November 2023	Package containing copies of medical records could not be located within Royal Mail under the signed for service.	Closed – no further action.
IC-294880-Z8J2	March 2024	Inappropriate access breach by staff member.	ICO to be updated following WUTH internal investigation.

6.2 The Trust has access controls, Firewalls, antivirus software, and a host of other systems in place to minimise the risk of cyber-attack, as well as a robust staff awareness programme to keep users abreast of potential cyber-risks and threats. The Trust receives regular communication from NHS England (NHS-E) and the National Cyber Security Centre (NCSC), both of which support notification of potential threats, vulnerabilities and security incidents. This enables the Trust to reduce the risks posed by cyber-attacks and mitigate many potential threats. From a cyber perspective, the Trust is part of the wider Cheshire & Merseyside HealthCare Partnership (HCP), where all Trusts in the Cheshire & Merseyside area collaborate to maintain cyber-hygiene and cyber-uniformity across the patch. The HCP has been an active participant in numerous initiatives set up by NHS-E all working towards the common goal of aligning our security objectives.

6.3 The Trust has a Senior Information Risk Owner (SIRO) and a Caldicott Guardian. The Trust also has a Data Protection Officer overseeing data protection Impact assessments and giving advice and guidance on issues associated with the eight rights of GDPR and FOI. The Trust has an Information Assurance Group that is chaired by the SIRO. We have continued to embed the legal requirement for data protection impact assessments into the Trust's

information sharing and information risk processes and strengthening data security awareness through continued education and awareness.

7. Data quality and governance

- 7.1 The Trust has in place a data quality strategy, the objective of which is to build and maintain a data quality culture at the point that data is collected and recorded, with the goal of improving the quality of the information used to support clinical care and business processes. The strategy outlines cultural requirements in relation to data quality with a focus on ensuring that all Trust staff are responsible and accountable for ensuring a high standard of data quality.
- 7.2 Internal controls are in place to ensure the accuracy of data and the collection and reporting of the measures of performance.
- 7.3 Mandatory training is provided to raise awareness of Information Governance and controls with employees.
- 7.4 Regular internal reports are provided to the Data Quality Group on errors and corrections to patient records logged by the data quality team. Frequency of errors and trends over time are tracked, with direct feedback to departmental managers in relation to repeated errors or concerns.
- 7.5 Regular internal reports are provided to the Data Quality Group on errors and corrections to patient records logged by the data quality team. Frequency of errors and trends over time are tracked, with direct feedback to departmental managers in relation to repeated errors or concerns
- 7.6 The quality and accuracy of elective waiting time data is subject to validation at patient level. A live tracking system on referral to treatment and cancer is in place that is overseen by the business improvement team after every clinical episode, to ensure scrutiny is equally applied to all patients waiting for treatment and adherence to the national waiting time standards. Once validation is completed Trust level performance is signed off by the executive.
- 7.7 A rolling monthly audit on referral to treatment and cancer 62-day patients that are treated within the national waiting time standards is undertaken by the data quality team, to ensure scrutiny is equally applied to non-breaching patients and their waiting times.

8. Review of effectiveness

- 8.1 As Accounting 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 Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditor 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 of Directors, the Audit and Risk Committee, Quality Committee and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.
- 8.2 The governance structure aligns with the Trust's quality, risk and performance management arrangements. Committees, sub committees, groups and individuals have defined responsibilities to ensure delivery of the Trust's objectives through compliance with performance and quality indicators and monitoring of associated risks. The Board of Directors receives assurance from its committees and the Trust Management Board.
- 8.3 The Board of Directors has set out the governance arrangements including the committee structure within the scheme of reservation and delegation. The Board is supported by seven committees:
- Audit and Risk
 - Finance Business and Performance
 - Quality
 - People
 - Research and Innovation
 - Remuneration & Appointment
 - Estates and Capital
- 8.4 In addition, the Chairs of the Board's committees report to the Board of Directors at the first available meeting after each committee meeting. Urgent matters are escalated by the committee chair to the Board of Directors as deemed appropriate.
- 8.5 The Trust reviewed its governance arrangements during 2022 to ensure that they were fit for purpose and enable appropriate oversight and control whilst reflecting the unprecedented demand on the Trust. This resulted in the re-naming of some Committees, a review of membership and delegated responsibilities, and the establishment of a Research and Innovation Committee. No further changes to this were required in 2023/24.
- 8.6 The Board of Directors has continued to discharge its responsibilities and progress continues to be made to strengthen the Board, improve CQC compliance and build more productive

stakeholder relationships. The Board of Directors understands the challenges relating to financial sustainability and managing demand more effectively. These challenges are now more acute with the aging estate and equipment, prolonged waits for treatment, and inequalities in health and social care. These priorities are embedded in our organisational objectives for the year ahead.

- 8.7 The Trust's system of control is designed to identify principal risks to the achievement of policies, aims and objectives. This has been further strengthened this year by a revised approach for the BAF and strengthened risk management framework. As with all internal control systems they are designed to manage rather than eliminate the risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness against material mis-statement or loss.
- 8.8 The Audit Committee is not aware of any material issues regarding fundamental failures which directly stem from a failure of the control environment or internal controls which comprise that environment.
- 8.9 The Board of Directors met 11 times between 1 April 2023 and 31 March 2024. Details about Board Members and changes to Board membership during the year can be found in the Directors' Report and the Remuneration Report.
- 8.10 The responsibilities of Directors are reviewed through individual performance review process.
- 8.11 The responsibilities of the Board of Directors' assurance committees and the executive led management meetings are defined in the terms of reference which are subject to review.
- 8.12 The Trust undertakes an annual assessment of all directors to ensure that they continue to meet the requirement of the fit and proper persons regulation, and these have been enhanced during the year to meet the requirements issued in August 2023. This is in addition to checks undertaken during the appointment process, and the new requirements for Board member references. The Trust will submit the newly required annual return in line with the deadline of 30th June 2024.
- 8.13 In 2023/24 the head of internal audit opinion provided substantial assurance that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.
- 8.14 The internal audit plan focused on the Trust's assurance framework, core and mandated reviews including follow up and a range of individual risk-based assurance reviews.

8.15 The assurance framework was externally validated by the Trust’s internal auditors in 2023/24. The head of internal audit opinion provided assurance that the assurance framework is structured to meet the NHS requirements, that the organisation considers risk appetite regularly and uses it to inform the management of the Assurance Framework, that the assurance framework is visibly used by the organisation, and that it clearly reflects the risks discussed by the Board.

8.16 During 2023/24, 18 internal audits were undertaken. 11 received ‘substantial assurance’, and five ‘moderate assurance’ opinions were received. There were no ‘high’, ‘limited’, or ‘no assurance’ opinions. 2 advisory reviews were undertaken and therefore did not receive an assurance rating.

High assurance	None
Substantial assurance	Key Financial Transactional Processing Controls Cost Improvement Programme ESR HR/Payroll Controls Managing Conflicts of Interest Freedom to Speak Up Limited Liability Partnership (LLP) Ockenden Capital Programme Governance IT Infrastructure Data Security and Protection Toolkit (2022/23) - Assessment of Self-Assessment Data Security and Protection Toolkit (2022/23) - Assessment against national data guarding standards
Moderate Assurance	Consultant Incremental Pay Fit and Proper Persons Management of Medical Outliers IT Medical Devices (2022/23) E-Rostering (2022/23)
Limited Assurance	None
No Assurance	None
Review without an assurance rating	Risk Management Core Controls Assurance Framework

8.17 On each occasion when an internal audit is drafted, recommendations or actions are proposed by the internal auditors to management. These are formalised and captured. Progress with implementation of the audit recommendations is reported to the Audit Committee ensuring Executive input, scrutiny of findings and oversight of the management response. During the year follow up reviews have been undertaken. It is noted that good progress has been made with regard to the implementation of recommendations and this will continue to be a priority as we move into 2024/25.

- 8.18 Reported incidents, complaints, claims and patient feedback are routinely analysed to identify risks, learning and improvement to support robust internal control. During review of existing systems in line with the implementation of the Patient Safety Incident Response Framework (PSIRF), the Trust has refreshed the approach to Lessons Learned. Whilst local dissemination of learning continues to utilise local governance processes and safety huddles, the Trust Lessons Learned Forum receives learning from all Patient Safety Responses and maintains oversight of the Trust wide quality improvement projects.
- 8.19 During Q1 and Q2 2023/24 there were 13 incidents that met the Criteria for a Serious Incident, during Q3 and Q4 the Trust was working under the PSIRF Policy and initiated 3 Patient Safety Incident Investigations. For context this is a significant reduction from 48 Serious Incident investigations completed during 2022/23. The Trust continues to be open and transparent in relation to all known incidents including those that result in significant harm. The Trust has a well-established panel to review patient safety responses with strong clinical engagement. Detailed action plans were developed and implemented or are being implemented.
- 8.20 Two incidents qualified for reporting as a never events during 2023/24. These were fully investigated as per the correct process and any actions arising from those investigations have been implemented.
- 8.21 There were a total of 18 incidents in 2023-24 (compared with 24 reported in 2022-23) that met the criteria for reporting to the Health & Safety Executive under the provisions of the Reporting of Injuries, Diseases or Dangerous Occurrences (RIDDOR) Regulations. The health and safety management systems within the Trust continue to be strengthened supported by the transfer of the Trust Health and Safety Team to the Estates, Facilities and Capital Division in December 2022. The H&S Team priorities in 2024/25 are to further improve H&S compliance and understanding throughout the Trust by ensuring appropriate policies and processes are in place, ongoing support to staff through the delivery of the training and audit programmes and development of a Health & Safety Annual Workplan which will include a range of key workstream priorities including a Trust wide Health and Safety Awareness week, focused Health and Safety Champions training and improved sharing of learning across the Trust.

9. Conclusion

- 9.1 My review confirms that Wirral University Teaching Hospital NHS Foundation Trust has generally sound systems of internal control that support the achievement of its objectives and the head of internal audit opinion has provided substantial assurance that there is a good system of internal control. However, there are some areas, as referenced at para 4.19 of this statement, which put the achievement of some of the Trust's objectives at risk.

Action plans have been prepared to address these issues and the Board is confident that there is a robust system in place to oversee the implementation of these actions.

9.2 No significant internal control issues have been identified during the year ending 31 March 2024 and up to the date of approval of the annual report and accounts.

A handwritten signature in black ink that reads "Janelle Holmes". The signature is written in a cursive style with a large initial 'J'.

Janelle Holmes
Chief Executive

Date: 27 June 2024

Independent Auditor's Report to the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Wirral University Teaching Hospital NHS Foundation Trust (the 'Trust') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the accounts, including accounting policies and other information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted, and adapted by the Department of Health and Social Care Group Accounting Manual 2023 to 2024.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023 to 2024; 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)), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom', as required by 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

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

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

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Accounting Officer is responsible for the other information contained within the Annual Report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- The parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements set out in the NHS foundation trust annual reporting manual 2023/24; and
- based on the work undertaken in the course of the audit of the financial statements, the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

Under the Code of Audit Practice, we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2023/24 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive, as Accounting Officer, is 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 Accounting Officer determines 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 Accounting Officer is 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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services and functions to another public sector entity. The Accounting Officer is required to comply with the requirements set out in the Department of Health and Social Care Group Accounting Manual 2023 to 2024.

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.

Extent to which 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 ISA's (UK).

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

We obtain and update our understanding of the Trust, its activities, control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Trust is complying with that framework. We determined that the most significant legal and regulatory frameworks that are applicable to the Trust, which are directly linked to specific assertions in the financial statements, are those related to the financial reporting frameworks. These include the National Health Service Act 2006 and international accounting standards, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023 to 2024.

Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Trust that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management, internal audit, and those charged with governance concerning the Trust's operations, the key policies and procedures, and the establishment of internal controls to mitigate risks related to fraud and non-compliance with laws and regulations, together with their knowledge of any actual or potential litigation and claims and actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the Trust's financial statements and the operations of the Trust through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of high-risk journal entries and other adjustments for appropriateness, including evaluating the rationale of any significant transactions outside the normal course of business and reviewing key accounting estimates including property, plant and equipment valuations for indicators of potential bias;
- Other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation or irregularity including testing the accuracy and occurrence of non-block contract income, the existence of receivables, assessing the completeness of non-pay expenditure and testing the existence and valuation of accruals.
- Assessing whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. We concluded that more experienced audit team members needed to be allocated to perform work on the significant risks identified.

We also communicated potential non-compliance with laws and regulations, including potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on other legal and regulatory matters

Reports in the public interest or to the regulator

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006, 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 incurring of 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.

We have nothing to report in respect of the above matters.

Report on 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 2024.

We have nothing to report in this respect.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required under Schedule 10(1)(d) of the National Health Service Act 2006 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 have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023 and May 2024. 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 have documented 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 which will be included in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Certificate of completion of the audit

We certify that we have completed the audit of the financial statements of Wirral University Teaching Hospital NHS Foundation Trust for the year ended 31 March 2024 in accordance with the requirements of Schedule 10(4)(1)(a) of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Brown
Digitally signed by Chris Brown
DN: cn=Chris Brown, c=GB, o=Azets,
email=chris.brown@azets.co.uk
Reason: I am the author of this
document
Date: 2024.06.27 12:31:40 +01'00'

Chris Brown, Key Audit Partner

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

27 June 2024

Wirral University Teaching Hospital NHS Foundation Trust

Annual accounts for the year ended 31 March 2024

Wirral University Teaching Hospital NHS Foundation Trust - Annual Accounts 2023/24

Foreword to the accounts

These accounts, for the year ended 31 March 2024, have been prepared by Wirral University Teaching Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed

A handwritten signature in black ink that reads "Janelle Holmes". The signature is written in a cursive style with a large initial 'J'.

Name: Janelle Holmes

Job Title: Chief Executive Officer

Date: 27th June 2024

Statement of Comprehensive Income

	Note	2023/24 £000	2022/23 £000
Other income from patient care activities	2	455,984	445,814
Other operating income	3	37,183	43,735
Operating expenses	6	(523,593)	(494,859)
Operating surplus/(deficit) from continuing operations		(30,426)	(5,310)
Finance income	9	1,444	515
Finance expenses	10	(17)	(226)
PDC dividends payable		(5,451)	(5,144)
Net finance costs		(4,024)	(4,855)
Other gains/(losses)	10.3	-	(208)
Surplus/(deficit) for the year		(34,450)	(10,373)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Net impairments and reversals	7	9,146	(2,241)
Revaluations		3,269	-
Total comprehensive income/(expense) for the period		(22,035)	(12,614)

The notes on pages 7 to 41 form part of these accounts.

All income and expenditure is derived from continuing operations.

Statement of Financial Position

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Intangible assets	12	12,840	14,851
Property, plant and equipment	13	234,651	212,734
Right of use assets	14	6,036	6,742
Receivables	19	1,216	1,894
Total non-current assets		254,743	236,221
Current assets			
Inventories	18	3,682	4,888
Receivables	19	18,898	30,991
Cash and cash equivalents	20	10,581	24,338
Total current assets		33,161	60,217
Current liabilities			
Trade and other payables	21	(76,393)	(73,263)
Borrowings	23	(1,605)	(1,949)
Provisions	24	(3,660)	(2,907)
Other liabilities	22	(6,052)	(9,710)
Total current liabilities		(87,710)	(87,829)
Total assets less current liabilities		200,194	208,609
Non-current liabilities			
Borrowings	23	(7,578)	(8,990)
Provisions	24	(6,987)	(7,152)
Other liabilities	22	(2,262)	(2,262)
		(16,827)	(18,404)
Total Assets Employed		183,367	190,205
Financed by			
Public dividend capital		233,048	217,851
Revaluation reserve		59,424	46,223
Income and expenditure reserve		(109,105)	(73,869)
Total taxpayers' equity		183,367	190,205

The notes on pages 7 to 41 form part of these accounts.

The primary financial statements on pages 3 to 6 and the notes on pages 7 to 41 were approved by the Trust's Board of Directors on 27th June 2024 and signed on its behalf by Janelle Holmes, Chief Executive Officer.

Signed

A handwritten signature in black ink that reads "Janelle Holmes". The signature is written in a cursive style with a large initial 'J'.

Janelle Holmes
Chief Executive Officer

27 June 2024

Statement of Changes in Equity for the year ended 31 March 2024

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2023 - brought forward	217,851	46,223	(73,869)	190,205
Surplus/(deficit) for the year	-	-	(34,450)	(34,450)
Revaluations	-	12,415	-	12,415
Transfers between reserves	-	786	(786)	-
Public dividend capital received	15,197	-	-	15,197
Taxpayers' and others' equity at 31 March 2024	233,048	59,424	(109,105)	183,367

Statement of Changes in Equity for the year ended 31 March 2023

Taxpayers' and others' equity at 1 April 2022 - brought forward	186,446	48,464	(63,496)	171,414
Surplus/(deficit) for the year	-	-	(10,373)	(10,373)
Net Impairments	-	(2,241)	-	(2,241)
Public dividend capital received	31,405	-	-	31,405
Taxpayers' and others' equity at 31 March 2023	217,851	46,223	(73,869)	190,205

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.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows

	Note	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(30,426)	(5,310)
Non-cash income and expense:			
Depreciation and amortisation	6.1	13,782	13,368
Net impairments	7	10,411	3,593
Income recognised in respect of capital donations	3.1	(17)	(445)
Amortisation of PFI deferred income/credit		(109)	(109)
(Increase) / decrease in receivables and other assets		12,721	(10,599)
(Increase) / decrease in inventories		1,206	36
Increase / (decrease) in payables and other liabilities		6,240	6,092
Increase / (decrease) in provisions		722	(5,540)
Other movements in operating cash flows			-
Net cash flows from / (used in) operating activities		14,530	1,086
Cash flows from investing activities			
Interest received		1,444	535
Purchase of intangible assets		(14)	(1,764)
Purchase of PPE and investment property		(37,464)	(36,196)
Proceeds from sale of property, plant and equipment		-	-
Receipt of cash donations to purchase assets		17	445
Net cash flows from / (used in) investing activities		(36,017)	(36,980)
Cash flows from financing activities			
Public dividend capital received		15,197	31,405
Movement on loans from DHSC		(1,015)	(1,015)
Capital element of lease liability repayments		(983)	(958)
Interest on loans		(153)	(188)
Interest element of lease liability repayment		-	-
PDC dividend (paid) / refunded		(5,316)	(5,448)
Net cash flows from / (used in) financing activities		7,730	23,796
Increase / (decrease) in cash and cash equivalents		(13,757)	(12,098)
Cash and cash equivalents at 1 April - brought forward		24,338	36,436
Cash and cash equivalents at 31 March	20.1	10,581	24,338

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England 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 2023/24 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.

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.

Consolidation

NHS Charitable Fund

The Trust is the Corporate Trustee to Wirral University Hospital NHS Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March 2024 in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102, and does not consider these to be material to the Trust. Consequently, consolidated financial statements, incorporating the accounts of both the Trust and the Charity ('group accounts') have not been prepared for the year ended 31 March 2024.

Joint Operations

Joint operations (Note 17) are joint arrangements whereby the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations require the accounting for the assets, liabilities, revenues and expenses relating to their interest in the joint operation in accordance with the applicable accounting standards. The Trust has the rights to particular assets or a share of certain assets, and obligations for particular liabilities or a share of certain liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement. Where material, the Trust includes within its financial statements its share of each operation's assets, liabilities, income and expenditure.

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.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

In 2022/23 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead, they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

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 1.2 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 grant is used to fund capital expenditure, it is credited to the 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 1.3 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 employer, 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 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.

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 1.4 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful 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 (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

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 location requirements of the services being provided.

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

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

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 have 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.

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

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.

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the Trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

There are no annual contract payments ('unitary charges') or service charges payable in relation to the Trust's single 'service concession' asset, as the operator's income derives from charges to users. As outlined in Note 22, a deferred income balance has been created which is released each year as income which offsets, but does not necessarily match, the straight-line depreciation charge incurred over the asset's useful economic life.

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 is shown in the table below:

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	7	81
Dwellings	1	40
Plant & machinery	1	19
Transport equipment	1	5
Information technology	1	9
Furniture & fittings	1	10

Note 1.5 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.

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

Software

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

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 is shown in the table below:

Min life	Max life
-----------------	-----------------

	Years	Years
Intangible assets - internally generated		
Information technology	2	7
Intangible assets - purchased		
Software	1	8
Other	2	21

Note 1.6 Inventories

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

Note 1.7 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 1.8 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost; financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

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

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

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

De-recognition

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

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

Note 1.9 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as lessee

Initial recognition and measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

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

Income from operating leases is recognised on a straight-line basis or another systematic 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.

Initial application of IFRS 16 in 2022/23

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations.

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust was lessor were unaffected by initial application of IFRS 16.

Note 1.10 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 from 31 March 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

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 from 31 March 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

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 24.2 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 1.11 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 25 where an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed in Note 25 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 1.12 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 in the PDC dividend policy issued 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 1.13 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 1.14 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 1.15 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 1.16 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 1.17 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 1.18 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 1.19 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

Note 1.20 Standards, amendments and interpretations in issue but not yet effective or adopted

Standards issued or amended but not yet adopted in the *FReM*:

- IFRS 17 Insurance Contracts is being applied by HM Treasury in the Government Financial Reporting Manual (*FReM*) from 1 April 2025 (with limited options for early adoption).

The Trust does not hold any insurance contracts which would be impacted by this standard.

Note 1.21 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's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Segmental reporting

IFRS 8 Operating Segments requires additional annual accounts disclosures for certain significant business streams ('reportable segments') which engage in distinct business activities and whose operating results are regularly and separately reviewed by the entity's 'chief operating decision maker' (CODM).

As the Trust's CODM, the Trust's Board of Directors does regularly review the performance of the Trust's operational divisions, whilst reviewing the financial position of the Trust as a whole, in its decision-making framework. However, these divisions are not judged to comprise distinct reportable segments, as they share similar economic characteristics, having similar locations, outputs, and customers, and operating within the same funding and regulatory environment. At an operational level, the workforce is flexibly deployed, and assets are shared across the divisions in providing services and delivering the Trust's objectives.

The accompanying financial statements have consequently been prepared under one single reporting segment, that is, 'the provision of acute healthcare'.

Interests in other entities and joint arrangements

Reporting bodies are required to assess whether they have interests in subsidiaries, associates, joint ventures or joint operations, prior to accounting for and disclosing these arrangements according to the relevant accounting standards. This assessment involves making judgements and assumptions about the nature of collaborative working arrangements, including whether or not the Trust has control over those arrangements per IFRS 10 Consolidated Financial Statements.

The Trust has assessed its existing contracts and collaborative arrangements for 2023/24 and has determined that the only arrangements which would fall within the scope of IFRS 10, IFRS 11 Joint Arrangements or IFRS 12 Disclosure of Interests in Other Entities, are the Trust's subsidiary charity and its joint operations (Note 17).

Consolidation

Wirral University Teaching Hospital NHS Foundation Trust is the corporate trustee of Wirral University Teaching Hospital NHS Foundation Trust Charitable Fund ('the Charity'). The Trust has assessed its relationship with the Charity and determined it to be a subsidiary, as it has the power to both gain and affect economic returns and other benefits from the Charity.

The Trust has reviewed the value of the Charity's fund balances at 31 March 2024 and does not consider these to be material to the Trust. Consequently, consolidated financial statements, incorporating the accounts of both the Trust and the Charity ('group accounts') have not been prepared for the year ended 31 March 2024.

'Service concession' asset

In 2010, the Trust recognised one 'service concession' asset (as at 31 March 2008). A staff accommodation block, built and operated by Frontis Homes Limited (Your Housing Group Limited) on the Trust's Arrowe Park site, is an infrastructure asset used in the delivery of public services. The Trust controls the residual interest in the asset and the services to be provided. Consequently, the arrangement is accounted for as outlined in 1.4 Private Finance Initiative (PFI) transactions and service concessions and Note 22 to the accounts.

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:

Asset valuation, lives and depreciation

The DHSC GAM requires that the valuation of the Trust's specialised buildings is based on a modern equivalent asset (MEA) with the same productive capacity as the property being valued. The Trust has opted to interpret the MEA basis as pertaining to a single combined hospital facility ('single site model') wholly located at the Trust's Clatterbridge site, and this fundamentally affects valuation processes, generally reducing asset carrying values.

The Trust has judged that this single combined hospital model is effectively a single asset for the purposes of applying IAS 16 Property, Plant and Equipment, with each significant building 'sub-asset' as a separately depreciating component. The component parts of each building 'sub-asset' are not themselves judged to have sufficient cost in relation to the single combined facility to require separate depreciation under the standard. This judgement affects the overall depreciation of the Trust's estate.

Additionally, the valuation of buildings requires decisions as to whether assets or groups of assets are specialised or non-specialised, which can lead to significantly different valuations, as described under 1.4 Property, plant and equipment.

Asset valuation and lives

The value and remaining useful lives of land and building assets are estimated by the Trust's valuers, Cushman & Wakefield. Valuations are carried out annually and are performed in accordance with the Royal Institute of Chartered Surveyors' RICS Valuation - Professional Standards (the 'Red Book'), primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property, as described under 1.7 Property, plant and equipment.

Where assets are of low value and/or have short useful economic lives, such as operational equipment, they are carried at depreciated historical cost (cost less any accumulated depreciation) as this is not considered to be materially different from fair value. The lives of equipment assets are estimated using historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. Intangible software licences are depreciated over the shorter of the term of the licence and the useful economic life.

The Trust undertakes annual revaluations of estate assets to reduce estimation uncertainty relating to asset lives and depreciation to minimise risk of material adjustments. However, the Trust's reliance on valuation methods does present a risk relating to the carry amount of non-current assets. Valuation methods assess alterations made to Trust estate since the previous valuation, building areas, location, physical condition and functional obsolescence and assessment of the current cost of replacement referencing previous valuations and using building cost indices such as the BCIS "All In" Tender Price Index.

The total balance of intangible and tangible fixed assets as at 31 March 2024 is £253m (31 March 2023 £234m), of which £170m relates to estate assets. The Arroe Park Hospital site is valued at £113.6m and whilst operationally inseparable the remaining lives of significant elements of the site have been assessed in the range of 10 to 40 years. The Clatterbridge Hospital site is valued at £50m and whilst operationally inseparable the remaining lives of significant elements of the site have been assessed in the range of 10 to 81 years.

Provisions

The amount recognised as a provision is a best estimate at the end of the reporting period of the expenditure required to settle a present obligation, or a constructive obligation taking into account risks and uncertainties.

Inventory balances

Inventory balances which are measured by counting stock, and attributing values to that inventory. There is an estimation uncertainty related to the timing of the Trust's stock counts, because they cannot operationally be undertaken simultaneously at close of play on 31 March.

Note 2 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

Note 2.1 Income from patient care activities (by nature)

	2023/24	2022/23
	£000	£000
Aligned payment & incentive (API) – Variable	94,598	-
Aligned payment & incentive (API) – Fixed	306,556	369,855
High-cost drugs income from commissioners	20,022	19,626
Other NHS clinical income	18,275	19,166
Private patient income	313	179
Elective Recovery Fund	-	10,794
Agenda for change pay offer central funding*	235	11,364
Additional pension contribution central funding**	12,642	12,109
Other clinical income	3,343	2,721
	<u>455,984</u>	<u>445,814</u>

* Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023. In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20 and continuing throughout 2023/24, 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 2.2 Income from patient care activities (by source)

	2023/24	2022/23
	£000	£000
NHS England	47,970	63,139
Clinical Commissioning Groups*	-	92,327
Integrated Care Boards	401,592	286,465
NHS Foundation Trusts	1,360	880
Local Authorities	467	649
Department of Health and Social Care	-	22
NHS other	67	-
Non-NHS Private Patients	313	179

Non-NHS: Overseas patients (chargeable to patient)	26	10
Injury cost recovery scheme	1,034	882
Non-NHS: Other	3,155	1,261
	455,984	445,814

Of which relates to continuing operations	455,984	445,814
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*Clinical Commissioning Groups were established as part of the Health and Social Care Act in 2012 and replaced Primary Care Trusts on 1 April 2013. On 1 July 2022, integrated care systems (ICSs) became legally established through the Health and Care Act 2022, and CCGs were closed down.

Note 2.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2023/24	2022/23
	£000	£000
Income from services designated as commissioner requested services	405,511	361,634
Income from services not designated as commissioner requested services	50,473	84,180
	455,984	445,814

Note 2.4 Overseas visitors (relating to patients charged directly by the provider)

	2023/24	2022/23
	£000	£000
Income recognised in year	26	10
Cash payments received in year (relating to invoices raised in current and previous years)	13	6
Amounts added to allowance for impairment of receivables (relating to invoices in current and previous years)	9	-
Amounts written off in year (relating to invoices in current and previous years)	-	8

Note 3.1 Other operating income

	2023/24	2022/23
	£000	£000
Recognised in accordance with IFRS15:		
Research and development	509	506
Education and training	13,496	12,113
Non-patient care activities to other bodies	8,317	17,753
Reimbursement and top-up funding	-	1,629
Income in respect of employee benefits accounted on a gross basis	3,126	2,536
Other	10,860	7,016
Recognised in accordance with other standards:		
Education and training	505	514
Cash donations for the purchase of capital assets	17	445
Charitable and other contributions to expenditure – received from NHS Charities	-	166
Contributions to expenditure – consumables (inventory) donated from DHSC group bodies for COVID response	57	800
Rental revenue from operating leases	187	148
Amortisation of PFI deferred income / credits	109	109
Total other operating income	37,183	43,735

Note 3.2 Analysis of other income

	2023/24	2022/23
	£000	£000
Car parking income*	1,849	834
Catering	2,841	1,357
Pharmacy sales	2,469	2,643
Staff accommodation rental	30	136
Other income not already covered (recognised under IFRS15)	3,671	2,046
Total other income	10,860	7,016

*In line with NHSE guidance the Trust reinstated staff car parking charges in 2022/23.

Note 4 Additional information on contract revenue (IFRS15) recognised in the period

	2023/24	2022/23
	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous year end	4,183	4,060

Note 5 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.

	2023/24	2022/23
	£000	£000
Income	4,690	2,191
Full cost	(1,888)	(2,227)
Surplus/deficit	2,802	(36)

The figures above represent income and cost from car parking and catering operations within the Trust. In line with NHSE guidance the Trust reinstated parking charges in 2022/23.

Note 6.1 Operating expenditure

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	7,990	9,778
Purchase of healthcare from non-NHS and non-DHSC bodies	4,605	6,261
Staff and executive directors' costs	356,986	345,784
Remuneration of non-executive directors	142	142
Supplies and services - clinical (excluding drugs costs)	42,821	38,644
Supplies and services - clinical: utilisation of consumables donated from DHSC group bodies for COVID response	48	828
Supplies and services - general	6,968	5,956
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	29,909	28,919
Inventories written down	238	328
Consultancy costs	168	513
Establishment	2,438	2,892
Premises ¹	25,562	21,884
Transport (including patient travel)	1,199	1,202
Depreciation on property, plant and equipment	11,757	11,583
Amortisation of intangible assets	2,025	1,785
Net impairments	10,411	3,593
Movement in credit loss allowance: contract receivables / contract assets	201	56
Provisions arising/released in year	2,107	(2,909)
Change in provisions discount rate	-	(116)
Audit fees payable to the external auditor:		
audit services- statutory audit ²	182	145
Internal audit costs	118	113
Clinical negligence ³	13,873	12,214
Legal fees	224	387
Insurance	634	573
Education and training	1,080	1,480
Operating lease expenditure	507	570
Other ⁴	1,400	2,254
Total	523,593	494,859

¹ Premises costs in 2023/24 include expenditure relating to recognition of future contractual obligations from the operation of two accommodation blocks on the Arrowe Park hospital site.

² External audit fees includes VAT.

³ Clinical negligence costs relate to the Trust's annual contribution to NHS Resolution (formerly NHS Litigation Authority) under its risk-pooling scheme.

⁴ Other expenditure of £1.4m (£2.2m 2022/23) includes IT contracts, professional fees and other miscellaneous expenditure.

Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2022/23: £1m).

Note 7 Impairment of assets

	2023/24	2022/23
	£000	£000
Loss or damage from normal operations	-	-
Changes in market price	10,411	3,593
Total impairments charged to operating surplus/deficit	10,411	3,593
Net Impairments charged to the revaluation reserve	(13,187)	(2,241)
Revaluations	4,041	-
Total impairments charged to the revaluation reserve	(9,146)	(2,241)

In 2023/24 the impact on the revaluation reserve (£9.146mm) represents the increase in valuation due to the full revaluation of the Trust's estate as at 31 March 2024.

Note 8.1 Employee benefits

	2023/24	2022/23
	£000	£000
Salaries and wages	246,385	242,985
Social security costs	26,687	25,575
Apprenticeship levy	1,289	1,278
Employer's contributions to NHS pension scheme	41,237	39,062
Pension cost - other	551	684
Temporary staff (including bank and agency)	40,837	36,200
Total employee benefits shown in the analysis of operating expenditure	356,986	345,784

Details regarding the remuneration of senior managers can be found in the remuneration section of the Annual report.

Note 8.2 Retirements due to ill-health

During 2023/24 there were 6 early retirements from the Trust agreed on the grounds of ill-health (four in the year ended 31 March 2023). There were £1,049k in costs for the pension liability of these ill-health retirements (£128k in 2022/23).

Note 9 Finance income

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

	2023/24	2022/23
	£000	£000
Interest on bank accounts	1,444	515
Total finance income	1,444	515

Note 10.1 Finance expenditure

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

	2023/24	2022/23
	£000	£000
Loans from the Department of Health and Social Care	151	188
Lease obligations	-	-
Total interest expense	151	188
Other finance costs	(134)	38
Total finance costs	17	226

Note 10.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2023/24	2022/23
	£000	£000
Amounts included within interest payable arising from claims under legislation	-	-

Note 10.3 Other gains and losses

	2023/24	2022/23
	£000	£000
Gains on disposal of property, plant and equipment	-	-
Losses on disposal of property, plant and equipment	-	(208)
Losses recognised on return of donated COVID assets to DHSC	-	-
Total gains/(losses) on disposal of assets	-	(208)

Gains and losses in 2022/23 result from individual disposals of equipment assets.

Note 11 Operating leases

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2023 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 11.1 Wirral University Teaching Hospital NHS Foundation Trust as a lessor

This note discloses income generated in operating lease arrangements where Wirral University Hospital NHS Foundation Trust is the lessor.

	2023/24 £000	2022/23 £000
Operating lease revenue		
Minimum lease receipts	148	148
	<u>148</u>	<u>148</u>
	2023/24 £000	2022/23 £000
Future minimum lease receipts due:		
- not later than one year;	148	148
- later than one year and not later than five years;	592	592
- later than five years.	148	296
Total	<u>888</u>	<u>1,036</u>

Operating lease income is derived from other service providers who occupy premises at the trust's sites. Not included in the above note are the following 'peppercorn' (minimal) leases, which have been entered into to create service benefit.

Frontis Homes Ltd – underlying land related to staff accommodation blocks	June 2006	June 2046
Ronald McDonald House	December 2009	December 2034
Cheshire and Wirral Partnership NHS Foundation Trust – Springview building	April 2015	March 2114
Ottobock – Wirral Limb Centre	July 2022	June 2024

Note 11.2 Wirral University Teaching Hospital NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Wirral University Teaching Hospital NHS Foundation trust is the lessee.

	2023/24	2022/23
	£000	£000
Operating lease expense		
Minimum lease payments	507	570
	<u>507</u>	<u>570</u>
	2023/24	2022/23
	£000	£000
Future minimum lease payments due		
- not later than one year;	482	507
- later than one year and not later than five years;	-	432
- later than five years.	-	-
Total	<u>482</u>	<u>939</u>

Note 12.1 Intangible assets – 2023/24

	Software licences	IT (internally generated and 3 rd party)	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000
Gross cost at 1 April 2023 – brought forward	1,957	28,888	-	30	30,875
Additions	14				14
Gross cost at 31 March 2024	<u>1,971</u>	<u>28,888</u>	<u>-</u>	<u>30</u>	<u>30,889</u>
Amortisation at 1 April 2023 – brought forward	816	15,208	-	-	16,024
Provided during the year	102	1,923	-	-	2,025
Accumulated amortisation at 31 March 2024	<u>918</u>	<u>17,131</u>	<u>-</u>	<u>-</u>	<u>18,049</u>
Net book value at 31 March 2024	<u>1,053</u>	<u>11,757</u>	<u>-</u>	<u>30</u>	<u>12,840</u>

Note 12.2 Intangible assets – 2022/23

	Software licences	IT (internally generated and 3 rd party)	Intangible assets under construction	Other (purchased)	Total
	£000		£000	£000	£000
Gross cost at 1 April 2022 – brought forward	1,923	26,184	974	30	29,111
Additions	34	1,730	-	-	1,764
Reclassifications	-	974	(974)	-	-
Gross cost at 31 March 2023	1,957	28,888	-	30	30,875
Amortisation at 1 April 2022 – brought forward	708	13,531	-	-	14,239
Provided during the year	108	1,677	-	-	1,785
Accumulated amortisation at 31 March 2023	816	15,208	-	-	16,024
Net book value at 31 March 2023	1,141	13,680	-	-	14,851

The useful economic lives of software licence assets at 31 March 2024 ranges from 1 year to 21 years. Other purchased assets comprise perpetual operating licences.

Note 13.1 Property Plant & Equipment 2023/24

	Land	Buildings Excl dwellings	Dwellings	Assets under Construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuations/gross cost at 1 April 2023 – brought forward	1,650	147,934	4,378	29,808	51,795	81	22,540	2,196	260,382
Additions	-	4,130	-	22,322	3,447	-	443	361	30,703
Additions – purchased from cash donations	-	-	-	-	17	-	-	-	17
Impairments charged to the revaluation reserve	-	(4,041)	-	-	-	-	-	-	(4,041)
Reversal of impairments credited to the revaluation reserve	-	13,187	-	-	-	-	-	-	13,187
Revaluations	-	(8,057)	(4,378)	-	-	-	-	-	(12,435)
Reclassifications	-	11,324	-	(12,691)	1,338	-	29	-	-
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	-	-	-	-	-
Valuation gross at 31 March 2024	1,650	164,477	0	39,439	56,597	81	23,012	2,557	287,813

Accumulated depreciation at 1 April 2023 brought forward	-	-	-	-	29,679	65	16,704	1,201	47,649
Provided during the year	-	5,187	106	-	3,664	7	1,759	84	10,807
Impairments charged to operating expenses	-	8,233	4,272	-	-	-	-	-	12,505
Reversals of Impairments credited to operating expenses	-	(2,094)	-	-	-	-	-	-	(2,094)
Revaluations	-	(11,326)	(4,378)	-	-	-	-	-	(15,704)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 31 March 2024	-	0	0	0	33,343	72	18,463	1,285	53,163
Net Book Value at 31 March 2024	1,650	164,477	0	39,439	23,254	9	4,550	1,272	234,651
Net Book Value at 31 March 2023	1,650	147,934	4,378	29,808	22,116	16	5,836	995	212,734

During the year £12.7m of assets previously classified as assets under construction were commissioned. The most significant item within this was phase two of the Cheshire and Merseyside Surgical Centre. The £39.4m classified as assets under construction at 31 March 24 is primarily represented by £25.3m for the Urgent and Emergency Upgrade Programme and £8m for Clinical Diagnostics Centre.

Note 13.2 Property Plant & Equipment 2022/23

	Land	Buildings excl dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuations/gross cost at 1 April 2022 – brought forward	1,650	139,570	4,214	13,402	48,467	81	21,759	1,464	230,607
Additions	-	1,020	-	34,224	4,835	-	781	732	41,592
Impairments	-	445	-	-	-	-	-	-	445
Reversals of Impairments	-	(6,344)	-	-	-	-	-	-	(6,344)
Revaluations	-	(4,575)	164	-	-	-	-	-	(4,411)
Reclassifications	-	17,818	-	(17,818)	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(1,507)	-	-	-	(1,507)
Valuation gross at 31 March 2023	1,650	147,934	4,378	29,808	51,795	81	22,540	2,196	260,382
Accumulated depreciation at 1 April 2022 brought forward	-	-	-	-	27,424	58	14,654	1,121	43,256
Provided during the year	-	4,822	99	-	3,554	7	2,050	80	10,612
Impairments	-	(247)	(263)	-	-	-	-	-	(510)
Reversals of Impairments	-	(4,575)	164	-	-	-	-	-	(4,411)
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(1,299)	-	-	-	(1,299)
Accumulated depreciation at 31 March 2023	-	-	-	-	29,679	65	16,704	1,201	47,648
Net Book Value at 31 March 2023	1,650	147,934	4,378	29,808	22,116	16	5,836	995	212,734
Net Book Value at 31 March 2022	1,650	139,570	4,214	13,402	21,043	23	7,105	343	187,351

Note 13.3 Property, plant and equipment financing – 2023/24

Net book value at 31 March 2024	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
Owned - purchased	1,650	163,149	-	39,439	21,951	10	4,550	1,263	232,011
On-SoFP PFI contracts and other service	-	-	-	-	-	-	-	-	-
Owned – donated/granted	-	1,328	-	-	1,303	-	-	9	2,640
NBV total at 31 March 2024	1,650	164,477	-	39,439	23,254	10	4,550	1,272	234,651
Net book value at 31 March 2023	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
Owned - purchased	1,650	146,392	-	29,808	20,559	17	5,836	984	205,246
Finance Leased	-	-	4,378	-	-	-	-	-	4,378
On-SoFP PFI contracts and other service	-	1,542	-	-	1,016	-	-	11	2,569
Owned – donated/granted	-	-	-	-	541	-	-	-	541
NBV total at 31 March 2023	1,650	147,934	4,378	29,808	22,116	17	5,836	995	212,734

Note 14.1 Right of use assets - 2023/24

	Property (land and buildings) £000	Plant & machinery £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2023 - brought forward	2,551	5,162	7,713	92
Transfers by absorption				
Additions	144	100	244	-
Remeasurements of the lease liability				
Movements in provisions for restoration / removal costs				
Impairments				
Reversal of impairments				
Revaluations				
Reclassifications				
Disposals/derecognition				
Valuation/gross cost at 31 March 2024	2,695	5,262	7,957	92
Accumulated depreciation at 1 April 2023 - brought forward	201	770	971	38
Transfers by absorption				
Provided during the year	224	726	950	24
Impairments				
Reversal of impairments				
Revaluations				
Reclassifications				
Disposals/derecognition				
Accumulated depreciation at 31 March 2024	425	1,496	1,921	62
Net book value at 31 March 2024	2,270	3,766	6,036	31
Net book value at 1 April 2023	2,350	4,392	6,742	54

Note 14.2 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2022 - brought forward				
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	2,551	5,162	7,713	92
Transfers by absorption				
Additions				
Remeasurements of the lease liability				
Movements in provisions for restoration / removal costs				
Impairments				
Reversal of impairments				
Revaluations				
Reclassifications				
Disposals/derecognition				
Valuation/gross cost at 31 March 2023	2,551	5,162	7,713	92
Accumulated depreciation at 1 April 2022 - brought forward				
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets				
IFRS 16 implementation - adjustments for existing subleases				
Transfers by absorption				
Provided during the year	201	770	971	38
Impairments				
Reversal of impairments				
Revaluations				
Reclassifications				
Disposals/derecognition				
Accumulated depreciation at 31 March 2023	201	770	971	38
Net book value at 31 March 2023	2,350	4,392	6,742	54
Net book value at 1 April 2022	-	-	-	-

Note 14.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in Note 23.1.

	2023/24	2022/23
	£000	£000
Carrying value at 31 March	6,755	-
IFRS 16 implementation - adjustments for existing operating leases		7,713
Transfers by absorption	-	-
Lease additions	244	-
Lease liability remeasurements	-	-
Interest charge arising in year	-	-
Early terminations	-	-
Lease payments (cash outflows)	(983)	(958)
Other changes	-	-
Carrying value at 31 March	6,016	6,755

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 14.4 Maturity analysis of future lease payments

	Total	Of which	Total	Of which
	31 March	leased	31 March	leased
	2024	from	2023	from
	£000	DHSC	£000	DHSC
		group		group
		bodies:		bodies:
		31 March		31 March
		2024		2023
		£000		£000
Undiscounted future lease payments payable in:				
- not later than one year;	960	31	927	61
- later than one year and not later than five years;	2,457	-	3,227	-
- later than five years.	2,599	-	2,601	-
Total gross future lease payments	6,016	31	6,755	61
Finance charges allocated to future periods	-	-	-	-
Net lease liabilities at 31 March 2024	6,016	31	6,755	61
Of which:				
Leased from other NHS providers		31		61
Leased from other DHSC group bodies		-		-

Note 15 Donations of property, plant and equipment

In 2023/24 the Trust recognised donated asset additions of £0.17m (£0.445m 2022/23).

Note 16 Revaluations of property, plant and equipment

The value and remaining useful lives of land and building assets are estimated by the Trust's valuers Cushman & Wakefield. Their independent valuations are carried out in accordance with the Royal Institute of Chartered Surveyors' *RICS Valuation - Global Standards* (the 'Red Book'), and other relevant RICS guidance notes, by RICS-qualified valuers. Valuations are carried out primarily on the basis of depreciated replacement cost (modern equivalent asset (MEA) basis) for specialised operational property. The Trust has opted to interpret the MEA valuation basis, which estimates the cost of a modern replacement asset with equivalent productive capacity to the asset being valued, as pertaining to a single combined hospital facility.

Revalued assets are written down to their recoverable amount within the Statement of Financial Position, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for that asset. Thereafter, the loss is charged to operating expenditure - net impairments. Increases in value are credited to the revaluation reserve unless circumstances arise whereby a reversal of impairment is necessary. In these circumstances this has been credited to operating expenditure - net impairments.

A full revaluation of the Trust's estate was undertaken as at the valuation date of 31 March 2024. This resulted in a net revaluation gain recorded in the revaluation reserve (within the Statement of Financial Position) of £17.2m and £12.5m net impairment charged to income and expenditure (within the Statement of Comprehensive Income).

The Trust continues to place reliance on the valuation which has been produced to the same professional standards and regulations as in prior years. It will further mitigate the risk of material misstatement of asset values by maintaining the existing annual revaluation cycle of Trust properties. The useful economic lives of equipment assets are estimated on historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. The lives of assets determined at recognition are disclosed within the accounting policies. The remaining useful economic lives of non-land property assets as at 31 March 2024 are as follows:

Buildings excluding dwellings	10 to 81 years.
Dwellings	40 years.

Note 17 Joint operations

The Trust has determined that, in addition to its subsidiary charity, it has interests in two joint operations. Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to assets, and obligations for liabilities relating to the arrangement. The Trust therefore includes within its financial statements, where material, its share of the assets, liabilities, income and expenditure relating to its joint operations.

The Trust does not attribute levels of risk significantly above 'business as usual' with these arrangements, as its joint operator is a partner NHS body, working together with the Trust within the same healthcare

operating environment. In practical terms, this translates to a longstanding related party relationship based on contracts and transactions, collaborative working, shared objectives and common policies. In addition, the 'going concern' risk and credit risk associated with other NHS bodies is very low.

The Trust has no material joint operations, but collaborates in two lesser operations:

Cheshire and Wirral Microbiology Service (CWMS)

The Trust works collaboratively with Countess of Chester Hospital NHS Foundation Trust to provide microbiology laboratory services to both trusts. CWMS was established in 2012, and the intention of the arrangement is to reduce running costs through joint use of a modern site and laboratory facilities, to provide resilience in each trust's microbiology service and to enable both trusts to respond to future market opportunities.

The majority of CWMS activity is carried out in the main combined laboratory in Bromborough, which is jointly and equally owned by the two trusts. The carrying value of the Trust's half of this asset in its Statement of Financial Position is £0.7m. Additionally, there are small satellite laboratories at each hospital site for urgent out-of-hours specimens.

The Trust retains the rights to assets contributed at the start of the arrangement. The Trust is responsible for the administration of CWMS payroll costs, and wholly recharges these costs to Countess of Chester Hospital NHS Foundation Trust.

As the financial 'host' partner, Countess of Chester Hospital NHS Foundation Trust retains the obligation to pay other suppliers' invoices, and offsets all direct and recharged costs against the income generated by CWMS for tests performed for both the trusts and new customers, using a tariff of prices. In 2023/24, the Trust's net expenditure on CWMS services was £20k (2022/23 £140k net income).

HR and Wellbeing Business Services (HRWBS)

This arrangement was created in 2011 and is jointly operated by the Trust and Countess of Chester Hospital NHS Foundation Trust (the 'host' operator). Originally this collaboration was designed to create savings through scale efficiencies and provide resilience to each of the operators' HR functions, including payroll and recruitment. In 2023/24 the expenditure on this service is £0.375m.

Over the last few years, the Trust has moved many of the functions back in house and in 2023/24 signalled its intention to fully move away from this arrangement. The provision of payroll services for the Trust will move to a new provider in 2024/25 and the cessation of the joint arrangement will be formalised.

Note 18 Inventories

	2023/24	2022/23
	£000	£000
Drugs	1,423	1,260
Consumables	2,153	3,446
Consumables donated from DHSC group bodies (PPE)	104	145
Energy	2	37
Total stock held at net realisable value	3,682	4,888

Inventories recognised in expenditure for the year totalled £53.5m (£56.6m 2022/23). In 2022/23 this expenditure includes the centrally procured PPE consumables.

Write-down of inventories recognised as expenditure for the year totalled £0.238m (£0.328m 2022/23).

Note 19.1 Receivables

	2023/24	2022/23
	£000	£000
Current:		
Contract receivables*	13,364	26,364
Capital Receivables	169	169
Allowance for impaired contract receivables / assets	(957)	(751)
Deposits and advances	42	48
Prepayments (non-PFI)	4,110	2,967
PDC dividend receivable	-	50
VAT receivable	1,433	1,553
Other receivables	737	591
Total current receivables	18,898	30,991
Non-current:		
Contract receivables	1,419	2,129
Allowance for impaired contract receivables / assets	(531)	(640)
Other receivables	328	405
Total non-current receivables	1,216	1,894
Of which is receivable from NHS and DHSC group bodies:		
Current	6,591	22,220
Non-current	328	405

*Included in contract receivables in 2023/24 and 2022/23 is the central funding in relation to implementing the backdated element of pay awards where government offers were made at the end of the financial year.

Note 19.2 Allowances for credit losses

	2023/24	2022/23
	£000	£000
Allowances as at 1 April - brought forward	1,391	1,551
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018		
New allowances arising	405	236
Reversals of allowances	(204)	(180)
Utilisation of allowances (write offs)	(104)	(216)
Allowances at 31 March	1,488	1,391

Note 20.1 Cash and cash equivalents movements

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

	2023/24	2022/23
	£000	£000
At 1 April	24,338	36,436
Net change in year	(13,757)	(12,098)
At 31 March	10,581	24,338
Broken down into:		
Cash with the Government Banking Service	10,581	24,338

Note 20.2 Third party assets held by the Trust

During the year the Trust held cash relating to monies held on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	2023/24	2022/23
	£000	£000
Bank balances	5	6
Total third-party assets	5	6

Note 21 Trade and other payables

	2023/24	2022/23
	£000	£000
Current:		
Trade payables	12,563	2,862
Capital payables	12,795	19,539

Accruals*	32,885	34,896
Annual leave accrual	3,279	3,905
Receipts in advance	77	-
Social security costs*	3,309	4,545
Other taxes payable**	3,409	3,003
PDC dividend payable	85	-
Pension contributions payable	3,957	3,722
Other payables	4,034	791
Total current trade and other payables	76,393	73,263

Of which payable to NHS and DHSC group bodies:

Current	19,698	5,486
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*Included in accruals and social security costs in 2022/23 is the payment in relation to the agenda for change pay offer.

**Other taxes payables include amounts owed to HMRC which relates to both employee salary deductions and employer contributions.

The Better Payment Practice Code (BPPC) gives NHS organisations a target of paying 95% of undisputed invoices within 30 calendar days of the receipt of either goods or a valid invoice (whichever is later), unless other payment terms have been agreed. Information regarding the Trust's BPPC performance is within the Annual Report's Directors' report.

Note 22 Other liabilities

	2023/24	2022/23
	£000	£000
Current:		
Deferred income: contract liabilities	5,943	9,601
Deferred PFI income	109	109
Total other current liabilities	6,052	9,710
Non-current:		
Deferred PFI income	2,262	2,262
Total other non-current liabilities	2,262	2,262

The non-current deferred income balance above is wholly attributable to the staff accommodation blocks which are owned and operated by Frontis Homes Limited, and which are accounted for as 'on-Statement of Financial Position' in accordance with IFRIC 12. The deferred income balance represents the benefit to the Trust of the arrangement's future 'service potential' and is released to the Statement of Comprehensive Income (SOI) over the period of the concession. Therefore, there is a corresponding balance in current PFI deferred income which represents next year's income release.

Note 23.1 Borrowings

	20223/24 £000	2022/23 £000
Current:		
Loans from the Department of Health and Social Care	645	1,022
Leases	960	927
Total current borrowings	1,605	1,949
Non-current:		
Loans from the Department of Health and Social Care	2,522	3,162
Leases	5,056	5,828
Total other non-current liabilities	7,578	8,990

Note 23.2 Reconciliation of liabilities arising from financing activities – 2023/24

	Loans from DHSC £000	Lease Liability £000	Total £000
Carrying value at 1 April 2023	4,184	6,755	10,939
Cash movements:			
Financing cash flows – payments and receipts of principal	(1,015)	(983)	(1,998)
Financing cash flows – payment of interest	(153)	-	(153)
Non-cash movements:			
Application of effective interest rate	151	-	151
Lease additions (recognition of right of use assets)	-	244	244
Carry value at 31 March 2024	3,167	6,016	9,183

Note 23.3 Reconciliation of liabilities arising from financing activities – 2022/23

	Loans from DHSC £000	Lease Liability £000	Total £000
Carrying value at 1 April 2022	5,199	-	5,199
Cash movements:			
Financing cash flows – payments and receipts of principal	(1,015)	(958)	(1,973)
Financing cash flows – payment of interest	(188)	-	(188)
Non-cash movements:			
Impact of implementing IFRS16 on 1 April 2023	-	7,713	7,713
Application of effective interest rate	188	-	188

Carry value at 31 March 2023

4,184 6,755 10,939

Note 24.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Other £000	Total £000
Opening balance	1,403	1,545	1,254	5,857	10,059
Change in the discount rate	-	-	-	22	22
Arising during the year	-	-	(6)	2,527	2,521
Utilised during the year	(169)	(108)	-	(1,035)	(1,312)
Reversed unused	-	-	(437)	-	(437)
Unwinding of discounts	(61)	(73)	-	(72)	(206)
Total	<u>1,173</u>	<u>1,364</u>	<u>811</u>	<u>7,299</u>	<u>10,647</u>
Expected timing of cash flows:					
Not later than one year	163	101	811	2,585	3,660
Later than one year but not later than five years	695	431	-	4,255	5,381
Later than five years	315	832	-	459	1,606
Total	<u>1,173</u>	<u>1,364</u>	<u>811</u>	<u>7,299</u>	<u>10,647</u>

Legal claims are primarily made up of employee tribunal and employer liability claims.

The amount provided for employer's / public liability claims is based on assessments received from NHS Resolution (NHSR) as to their value and anticipated payment date, plus local assessments on a small number of other employee related legal cases.

Other provisions largely comprise of contractual obligations (£2.2m) to compensate the operator for foregone rental income, resulting from ongoing under-occupancy of the staff accommodation blocks at the Trust's Arrowe Park site which are owned and operated by Frontis Homes Limited (within Your Housing Group). The remaining balance comprises provisions from previous years which are carried forward with no material change.

Note 24.2 Clinical negligence liabilities

At 31 March 2024 £204,268,316 was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Wirral University Teaching Hospital NHS Foundation Trust (31 March 2023 £242,576,675).

Note 25 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
NHS Resolution legal claims	(59)	(45)
Other	-	-
Gross value of contingent liabilities	<u>(59)</u>	<u>(45)</u>
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	<u>(59)</u>	<u>(45)</u>

The Trust has been informed of its contingent liability in respect of NHS Resolution legal claims, £59k 2023/24 (£45k 2022/23).

Note 26 Contractual capital commitments

	31 March 2024 £000	31 March 2023 £000
Property, plant and equipment	12,143	31,559
Intangible assets	-	-
Total	<u>12,143</u>	<u>31,559</u>

Capital commitments at 31 March 2024 relate to infrastructure and upgrade projects including the Urgent and Emergency Centre Upgrade Programme.

Note 27 Financial instruments

Note 27.1 Financial risk management

Liquidity risk

The Trust's net operating costs are incurred in delivering healthcare under annual contracts with Clinical Commissioning Groups (CCGs), which are ultimately funded from resources voted annually by Parliament. The Trust usually receives this CCG income through 'block' (fixed) payments. Monthly payments are received from CCGs based on annual service contracts, and this national framework reduces the Trust's exposure to liquidity risk.

The Trust borrows from the Department of Health and Social Care (DHSC) for operating purposes, and actively mitigates liquidity risk by daily cash management procedures incorporating the timely initiation of

loans, keeping all cash balances in an appropriately liquid form. Liquidity is monitored by the Trust's Board on a monthly basis through monthly reports on movements, variances and trends in cash-flows.

The Trust may borrow from commercial organisations to support liquidity, but currently has no commercial borrowings.

The Trust also holds two fixed interest rate loans with DHSC which have funded past capital developments, as follows:

25-year loan of £6.5m at 4.32%, drawn down in 2009/10.

10-year loan of £7.5m at 1.96%, drawn down in 2014/15.

Repayments on the capital loans have commenced and are paid according to a set schedule over the period of the loans. To date, £10.9m has been repaid.

The loan repayment schedule is contained within the maturity of financial liabilities table in Note 27.4.

Credit risk

The Trust minimises its exposure to credit risk arising from deposits with banks and financial institutions through implementing its Treasury Management procedures. Cash required for day to day operational purposes is held within the Trust's Government Banking Services (GBS) account. GBS balances are swept into the Bank of England overnight, with the specific aim of reducing credit risk exposure for bodies within government.

The Trust regularly reviews debtor balances and has a comprehensive system in place for pursuing past-due debt. Aged debts are regularly assessed, and proactive credit control is in place, including referral to debt recovery agents when internal efforts are exhausted, and it is deemed potentially cost-effective to pursue. Every quarter, aged debts are individually presented to the Trust's Audit Committee for further scrutiny.

The main source of income for the Trust is from ICBs in respect of healthcare services provided under contractual agreements. The credit risk associated with such customers is minimal. Non-NHS customers (for example, private patients and prescription charges) typically have a higher rate of write-off but represent a small proportion of income. Therefore, the Trust is not exposed to significant credit risk from its customers.

The movement in the Allowance for credit losses during the year is disclosed in Note 19.2. The Trust's approach to the impairment of financial assets is detailed in Note 1 Accounting Policies.

The carrying amount of financial assets represents the Trust's maximum level of credit exposure. Therefore, the maximum exposure to credit risk at the Statement of Financial Position date was £14.3m (£28.09m 2022/23), being the total of the carrying amount of financial assets excluding cash (Note 27.2). There are no amounts held as collateral against these balances.

Market risk

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

The Trust does not invest for capital appreciation. All of the Trust's financial assets and financial liabilities carry nil or fixed rates of interest other than the Trust's bank accounts which earn interest at a floating rate; the Trust is not exposed to significant interest rate risk.

Note 27.2 Carrying values of financial assets

In the following notes, non-financial assets and non-financial liabilities are excluded. Therefore, the receivables and payables figures are lower than their respective balances within the Statement of Financial Position (SFP).

	Held at amortised cost £000
Carrying values of financial assets at 31 March 2024	
Trade and other receivables excluding non-financial assets	14,360
Cash and cash equivalents	10,581
Total at 31 March 2024	24,941
Carrying values of financial assets at 31 March 2023	
Trade and other receivables excluding non-financial assets	28,098
Cash and cash equivalents	24,338
Total at 31 March 2023	52,436

Note 27.3 Carrying values of financial liabilities

	Held at amortised cost £000
Carrying values of financial liabilities at 31 March 2024	
Loans from the Department of Health and Social Care	3,167
Obligations under leases	6,016
Trade and other payables excluding non-financial liabilities	66,234
Provisions under contract	6,968
Total at 31 March 2024	82,385
Carrying values of financial liabilities at 31 March 2023	
Loans from the Department of Health and Social Care	4,184
Obligations under leases	6,755
Trade and other payables excluding non-financial liabilities	65,715
Provisions under contract	5,415
Total at 31 March 2023	82,069

Note 27.4 Maturity of financial liabilities

	31 March 2024 £000	31 March 2023 £000
In one year or less	70,533	68,404
In more than one year but not more than five years	8,093	10,344
In more than five years	4,409	4,459
Total	83,035	83,207

Note 27.5 Fair values of financial assets and liabilities

The Trust has two capital loans and a number of revenue support loans with the Department of Health and Social Care. The carrying value of the borrowings liability is considered to approximate to fair value, the interest rate not being significantly different from market rate. All other financial assets and liabilities have carrying values which are not significantly different from their fair values.

Note 28 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.

The Trust made the following losses and special payments, on an accruals basis (with the exception of provisions for future losses), during the financial year.

	2023/24		2022/23
	Total number of cases No.	Total value of cases £000	Total number of cases No.
			Total value of cases £000
Losses			
Cash losses	19	8	14
Bad debts and claims abandoned	12	108	10
Stores losses and damage to property	5	238	4
	36	354	28
			347
Special payments			
Compensation under court order or legally binding arbitration award	-	-	3
Ex-gratia payments	50	111	50
			7
			396

Total	50	111	53	403
Total losses and special payments	86	465	81	750

Note 29 Related parties

Whole of Government Accounts (WGA) and consolidation

Wirral University Teaching Hospital NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. Monitor (operating as NHS Improvement) does not prepare group accounts, but rather, it prepares *NHS foundation trusts: consolidated accounts* for further consolidation into the Department of Health and Social Care's accounts, and, ultimately, the Whole of Government Accounts. Monitor (operating as NHS Improvement) has powers to control NHS foundation trusts, but its financial results are not incorporated within the consolidated accounts, and it cannot be considered to be the parent undertaking for foundation trusts. The Department of Health and Social Care (DHSC) is the parent department of the foundation trust sector. Although there are a number of consolidation steps between the Trust's accounts and Whole of Government Accounts, the Trust's ultimate parent is HM Government.

WGA bodies

The Department of Health and Social Care is the parent department of Wirral University Hospital NHS Foundation Trust. The main entities within the public sector with which the body has had dealings are NHS England, ICBs, CCGs (superseded by ICBs), Foundation Trusts, NHS Trusts, NHS Resolution and Health Education England. 'Other bodies' with the WGA boundary include Local Authorities, HM Revenue & Customs and NHS Pension Agency.

During the year, the Trust has had a number of transactions with WGA bodies. Listed below are those entities other than DHSC for which the total transactions or total balances with the Trust have been collectively significant or potentially material to the other body.

Betsi Cadwaladr University Local Health Board	NHS Professionals
Countess of Chester Hospital NHS Foundation Trust	NHS Resolution
Health Education England	Mersey & West Lancashire Teaching Hospitals NHS Trust
NHS Cheshire and Merseyside Integrated Care Board	The Clatterbridge Cancer Centre
NHS England (including sub-entities)	Wirral Community NHS Foundation Trust
NHS Pensions Agency	

Public dividend capital (PDC) transactions with DHSC

The Trust made PDC dividend payments to DHSC totalling £5.3m (£5.4m 2022/23). There is a £0.085 year-end payable of PDC dividend (NIL 2022/23). There is no year-end receivable for PDC dividend (£0.05m 2022/23).

Allowance for credit losses - related parties

No related party debts have been written off by the Trust in 2023/24 (none in 2022/23). The Trust's *Allowance for credit losses* is calculated such that it includes no balance in relation to its related parties.

Charitable related parties - WUTH Charity

Wirral University Teaching Hospital NHS Foundation Trust Charitable Fund (registered charity number 1050469, known as 'WUTH Charity') is a subsidiary of the Trust and therefore a related party. The Trust is the Charity's corporate trustee, which means that the Trust's Board of Directors is charged with the governance of the Charity. The Charity's sole activity is the funding of capital and revenue items for the benefit of the Trust's patients. Further details can be found at <https://www.wuthcharity.org/>.

The Charity's total funds balance as at 31 March 2024 was £1.08m (£0.95m 2022/23) with net income of £0.135m (£-0.05m net income 2022/23). During the year the Charity incurred expenditure of £0.273m (£0.66m 2022/23) in respect of goods and services for which the Trust was the main beneficiary.

Other related parties

Aside from the Trust's Charity, the Trust has no subsidiaries or associates.

Key management personnel

Key management personnel are *related parties* to the Trust and are defined in IAS 24 *Related Party Disclosures* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.' They are identified by the Trust as being the same individuals as the 'senior managers' which are disclosed in the remuneration section of the Annual Report, which contains details of their remuneration and other benefits.

In 2023/24, the Trust had expenditure as follows:

- £18k with Edge Hill University where Stephen Igoe is Deputy Vice-Chancellor.
- £12k with the University of Manchester where Mark Chidgey undertakes ad-hoc/occasional paid lecturing and education duties.
- £21,334k with NHS Professionals where Janelle Holmes' is NHSP registered, and books shifts via NHSP.

These expenditures are not believed to be in any way material to either party as all dealings were undertaken on an arms-length basis.

During the financial year under review, no other member of key management personnel, and no other party closely related to these individuals outside of the NHS, has undertaken transactions with Wirral University Teaching Hospital NHS Foundation Trust.

Note 30 Events after the reporting date

The Trust has not identified any events that occurred after the reporting year that would require disclosure as non-adjusting events in accordance with IAS10.

